



## **Drake and Scull International announces First Half 2020 Results**

**The Company recorded Net Profit of 199 million dirhams compared to net loss 838 million dirhams recorded for the same period last year.**

**Dubai, UAE, 13 October 2020:** Drake & Scull International PJSC (DSI), a regional market leader in the integrated design, engineering and construction disciplines of Mechanical, Electrical and Plumbing (MEP), Water and Power, and Oil and Gas reported today its audited financial results for the first half ended June 30, 2020, reporting a net profit of AED 199 million.

- **First Half 2020 Revenues stood at 78 million dirhams compared to AED 260 million dirhams for the same period in 2019.**
- **Gross Profit of 7 million dirhams in First Half 2020 compared to Gross Loss of 118 million dirhams for the same period in 2019.**
- **Gain on disposal of subsidiary amounting to 354 million dirhams.**
- **Profit from continued operations reached 200 million dirhams in First Half 2020, of which 7 million dirhams as gross profit, compared to a loss of 832 million dirhams for the same period in 2019.**
- **Accumulated Losses have been reduced from 5,005 million dirhams as of 31 December 2019 to 4,806 billion as of 30 June 2020.**
- **Total Negative Equity has been improved from 3,987 million dirhams as of 31 December 2019 to 3,784 dirhams million as of 30 June 2020.**

DSI recorded a revenue of AED 78 million and the backlog remained stable at AED 446 million, which includes AED 183 million from Joint-Ventures, driven by on-going operations in the UAE, Algeria, Kuwait, Iraq and Germany.

Gross profits the period stood at AED 7 million and the Net profit stood at AED 199 million for the first half of 2020 compared to a net loss AED 838 million recorded for the same period last year.

Munir Mansour, CEO of DSI, said: "During the last few months, DSI was keen to ensure the continuity of the business in its various projects while taking all precautionary measures and complying with the decisions issued by government authorities regarding the COVID-19 Pandemic. DSI continued the contracting work on



its existing projects, while focusing on the enhancement of our operational efficiencies, operating cost management as well as our overall financial position in line with the Restructuring and Business Plan”.

“As for the financial restructuring, we have reached advanced stages in the negotiations with the key banks ahead of finalizing the framework and details of the financial reorganization with the support of the Financial Reorganization Committee, the Board of Directors and our Advisors. Furthermore, as we have announced back in September, DSI initiated a formal process to allow all affected creditors to register their claims with the Expert appointed by the Financial Reorganization Committee (FRC). Advertisements regarding the creditor claims process were published in local newspapers, signifying a significant step forward and an important part of the broader plan to reorganise the Company. The FRC appointed expert is administering the process of registering and verifying the creditor claims before submitting an official report to the FRC. We shall disclose the results of the report in the Local Newspapers as soon as it has been completed and subsequently approved by the FRC in the near future”.

It is worth mentioning that earlier this year, for business continuity purposes and to facilitate the Company’s financial reorganization process, DSI made an application for its financial reorganisation process to be conducted under the supervision of the Financial Reorganisation Committee. That application was accepted by the FRC in May 2020; and in June 2020 the FRC approved the appointment of Aaronite Partners as the expert in accordance with the FRC Regulations. This acceptance marks a significant development towards achieving a successful financial reorganisation of DSI.

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#### About Drake & Scull International PJSC

Drake & Scull International PJSC (DSI) is a regional market leader of world-class integrated design, engineering and construction projects. DSI’s main business streams include engineering (MEP), construction, oil & gas and water & wastewater. The company operates across the GCC and the rest of the Middle East as well as Europe. DSI has completed more than 700 projects around the world in the aviation, residential and mixed-use real estate, power plant, cooling plant, hospitality, healthcare, renewable energy, data center, petrochemical, rail, commercial, government, leisure and infrastructure sectors.

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