Drake and Scull International (P.J.S.C.)
and its subsidiaries

Interim Condensed Consolidated
Financial Statements
For the period ended September 30, 2025

Drake and Scull International (P.J.S.C.) and its subsidiaries
Interim Condensed Consolidated Financial Statements
For the nine-month period ended September 30, 2025

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Report on Review of the Interim Condensed Consolidated Financial Statements
To the Shareholders of Drake and Scull International (P.J.S.C.)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Drake and Scull International (P.J.S.C) (the "Company") and its subsidiaries (collectively referred to as "the Group"), comprising the interim consolidated statement of financial position as at September 30, 2025, and the related interim consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in equity and cash flows for the nine-month period then ended, and explanatory notes.

Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

Bank balances

We were not provided with sufficient appropriate audit evidence to verify the existence of bank balances with a gross carrying amount of AED 11,774 thousand as at September 30, 2025 and AED 12,683 thousand as at December 31, 2024 and completeness and accuracy of guarantees and bonds of AED 415,387 thousand as at September 30, 2025 and AED 453,330 thousand as at December 31, 2024. Consequently, we were unable to determine whether any adjustments were necessary to the related amounts and disclosures in the interim condensed consolidated financial statements as at September 30, 2025. Our opinion on the Group's consolidated financial statements as at and for the year ended December 31, 2024 was also modified in respect of this matter.

Discontinued operations

We were not provided with sufficient appropriate audit evidence to verify the existence, completeness and accuracy of the transactions and balances disclosed in Note 26 to the interim condensed consolidated financial statements in connection with the discontinued operations. Consequently, we were unable to determine whether any adjustments were necessary in respect of amounts and disclosures concerning discontinued operations included in the interim condensed consolidated financial statements as at and for the three-month and nine-month periods ended September 30, 2025. Our opinion on the Group's consolidated financial statements as at and for the year ended December 31, 2024 was also modified in respect of this matter.

Grant Thornton

Report on Review of the Interim Condensed Consolidated Financial Statements (continued)
To the Shareholders of Drake and Scull International (P.J.S.C.) (continued)

Basis for Qualified Conclusion (continued)

Legal status

We were not provided with sufficient appropriate audit evidence to verify the completeness and accuracy of the potential financial impact that may result from legal matters as at September 30, 2025. Consequently, we were unable to determine whether any adjustments or additional disclosures might have been necessary in relation to legal matters in the interim condensed consolidated financial statements as at and for the three-month and nine-month periods ended September 30, 2025. Our opinion on the Group's consolidated financial statements as at and for the year ended December 31, 2024 was also modified in respect of this matter.

Qualified Conclusion

Based on our review, with the exception of the matters referred to in the *Basis for Qualified Conclusion* section of our report, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) to the interim condensed consolidated financial statements, which indicates that, as at September 30, 2025, the Group's accumulated losses exceeded 50% of the share capital. As stated in Note 2(b), this event or condition, along with other matters as set forth in Note 2(b), indicates that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not further modified in respect of this matter.

GRANT THORNTON UAE

Grant Thornton Public Accountants P.O. Box: 1620 DUBAI-U.A.E.

Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates

November 12, 2025

Interim consolidated statement of financial position
As at September 30, 2025

	Notes	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
ASSETS			
Non-current assets			
Property and equipment	3	**27,123**	582
Right-of-use assets	4	**5,570**	6,433
Deferred tax assets	23	**17,541**	17,324
Retentions receivable	5	**12,144**	7,386
		62,378	31,725
Current assets			
Trade and other receivables	5	**162,192**	108,481
Contract assets	19	**40,213**	14,718
Due from a related party	7	**53,812**	53,247
Financial assets at fair value through profit or loss	6	**1,894**	1,351
Cash and bank balances	8	**266,491**	390,529
		524,602	568,326
Assets held for sale	26	**47,025**	46,975
		571,627	615,301
TOTAL ASSETS		**634,005**	647,026
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**2,886,697**	2,886,697
Share discount		**(1,357,276)**	(1,356,204)
Treasury shares	10	**(7,482)**	(433)
Statutory reserve	11	**-**	479,454
Mandatory convertible sukuks	12	**370,470**	368,130
Foreign currency translation reserve		**(23,671)**	(23,378)
Accumulated losses		**(1,589,312)**	(2,079,873)
Total equity attributable to equity holders of the Parent		**279,426**	274,393
Non-controlling interest	13	**(122,818)**	(122,658)
Total equity		**156,608**	151,735
Non-current liabilities			
Employees' end of service benefits		**8,549**	9,129
Lease liabilities	15	**3,855**	5,164
		12,404	14,293
Current liabilities			
Provisions	14	**42,035**	47,902
Lease liabilities	15	**1,628**	1,323
Bank borrowings	16	**9,165**	8,732
Trade and other payables	17	**116,855**	150,504
Contract liabilities	19	**59,844**	36,093
Income tax payable		**2,060**	3,202
		231,587	247,756
Liabilities directly associated with the assets held for sale	26	**233,406**	233,242
		464,993	480,998
Total liabilities		**477,397**	495,291
TOTAL EQUITY AND LIABILITIES		**634,005**	647,026

These interim condensed consolidated financial statements were approved and authorised for issue by the Board of Directors on November 12, 2025 and were signed on their behalf by:

Dr. Abdul Rahman Mahmoud Al Afifi Board Member	**Mustafa Kheriba** Board Member	**Muin El-Saleh** Chief Executive Officer	**Khalid Sukhon** Chief Financial Officer

The accompanying notes from 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Interim consolidated statement of profit or loss
For the nine-month period ended September 30, 2025

	Notes	Three-month period ended September 30, 2025 (Unaudited) AED'000	Three-month period ended September 30, 2024 (Unaudited) AED'000	Nine-month period ended September 30, 2025 (Unaudited) AED'000	Nine-month period ended September 30, 2024 (Unaudited) AED'000
Continuing operations					
Revenue from contracts with customers	19	**57,016**	20,736	**134,918**	70,400
Cost of revenue	20	**(51,897)**	(19,535)	**(123,862)**	(65,505)
GROSS PROFIT		**5,119**	1,201	**11,056**	4,895
General and administrative expenses	21	**(10,166)**	(11,370)	**(34,674)**	(32,596)
Allowance for expected credit losses on trade receivables	5	**-**	(399)	**(1,128)**	(399)
Restructuring costs		**(1,079)**	(21,463)	**(3,603)**	(40,894)
(Loss)/gain resulting from the approved restructuring settlement plan	27	**-**	(10,460)	**(2,340)**	3,749,620
Other income	22	**8,048**	43,591	**34,385**	99,639
Finance income		**3,585**	5,190	**11,052**	7,827
Finance cost		**(353)**	(921)	**(1,004)**	(1,381)
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		**5,154**	5,369	**13,744**	3,786,711
Tax (expense)/income	23	**(639)**	1,648	**(2,571)**	(3,655)
PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS		**4,515**	7,017	**11,173**	3,783,056
Discontinued operations					
Profit/(Loss) from discontinued operations	26	**-**	92	**(125)**	17,851
PROFIT FOR THE PERIOD		**4,515**	7,109	**11,048**	3,800,907
Attributable to:					
Equity holders of the Parent:					
Profit from continuing operations		**4,515**	7,017	**11,173**	3,783,056
Profit/(Loss) from discontinued operations		**-**	92	**(66)**	14,047
		4,515	7,109	**11,107**	3,797,103
Non-controlling interest:					
(Loss)/profit from discontinued operations		**-**	-	**(59)**	3,804

The accompanying notes from 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Interim consolidated statement of profit or loss (continued)
For the nine-month period ended September 30, 2025

		Three-month period ended September 30,		Nine-month period ended September 30,	
	Notes	**2025 (Unaudited) AED'000**	2024 (Unaudited) AED'000	**2025 (Unaudited) AED'000**	2024 (Unaudited) AED'000
Earnings per share:					
Basic earnings per share (AED)	24	**0.002**	0.003	**0.004**	1.884
Diluted earnings per share (AED)	24	**0.001**	0.002	**0.003**	1.064

The accompanying notes from 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Interim consolidated statement of other comprehensive income
For the nine-month period ended September 30, 2025

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025 (Unaudited) AED'000	2024 (Unaudited) AED'000	**2025 (Unaudited) AED'000**	2024 (Unaudited) AED'000
PROFIT FOR THE PERIOD	**4,515**	7,109	**11,048**	3,800,907
Other comprehensive income				
Items that will be reclassified to profit or loss in subsequent periods:				
Exchange differences on translation of continuing foreign operations	**37**	1,649	**(293)**	448
Exchange differences on translation of discontinued foreign operations	**-**	(17)	**(101)**	669
Other comprehensive income/(loss) for the period	**37**	1,632	**(394)**	1,117
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**4,552**	8,741	**10,654**	3,802,024
Attributable to:				
Equity holders of the Parent	**4,552**	8,758	**10,814**	3,797,551
Non-controlling interest	**-**	(17)	**(160)**	4,473
	4,552	8,741	**10,654**	3,802,024

The accompanying notes from 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Interim consolidated statement of changes in equity
For the nine-month period ended September 30, 2025

	Attributable to equity holders of the Parent									
	Share capital AED'000	Share discount AED'000	Treasury shares AED'000	Statutory reserve AED'000	Mandatory convertible Sukuks AED'000	Foreign currency translation reserve AED'000	Accumulated losses AED'000	Total AED'000	Non-controlling interest AED'000	Total equity AED'000
At January 1, 2025 (audited)	2,886,697	(1,356,204)	(433)	479,454	368,130	(23,378)	(2,079,873)	274,393	(122,658)	151,735
Profit/(loss) for the period	-	-	-	-	-	-	11,107	11,107	(59)	11,048
Other comprehensive loss for the period	-	-	-	-	-	(293)	-	(293)	(101)	(394)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(293)	11,107	10,814	(160)	10,654
Issuance of mandatory convertible sukuks (Note 12 & 27)	-	-	-	-	2,340	-	-	2,340	-	2,340
Absorption of accumulated losses (Note 11)	-	-	-	(479,454)	-	-	479,454	-	-	-
Treasury shares (Note 10)	-	(1,072)	(7,049)	-	-	-	-	(8,121)	-	(8,121)
At September 30, 2025 (unaudited)	**2,886,697**	**(1,357,276)**	**(7,482)**	**-**	**370,470**	**(23,671)**	**(1,589,312)**	**279,426**	**(122,818)**	**156,608**

	Attributable to equity holders of the Parent									
	Share capital AED'000	Share (discount)/ premium AED'000	Treasury shares AED'000	Statutory reserve AED'000	Mandatory convertible Sukuks AED'000	Foreign currency translation reserve AED'000	Accumulated losses AED'000	Total AED'000	Non-controlling interest AED'000	Total deficiency of assets AED'000
At January 1, 2024 (audited)	1,070,988	3,026	-	125,760	-	(24,459)	(5,480,960)	(4,305,645)	(126,458)	(4,432,103)
Profit for the period	-	-	-	-	-	-	3,797,103	3,797,103	3,804	3,800,907
Other comprehensive income for the period	-	-	-	-	-	448	-	448	669	1,117
Total comprehensive income for the period	-	-	-	-	-	448	3,797,103	3,797,551	4,473	3,802,024
Issuance of Mandatory convertible Sukuks (Note 12 & 27)	-	-	-	-	368,130	-	-	368,130	-	368,130
Treasury shares (Note 10)	-	3,218	(16,276)	-	-	-	-	(13,058)	-	(13,058)
Issuance of share capital (Note 9)	1,815,709	(1,361,782)	-	-	-	-	-	453,927	-	453,927
At September 30, 2024 (unaudited)	2,886,697	(1,355,538)	(16,276)	125,760	368,130	(24,011)	(1,683,857)	300,905	(121,985)	178,920

The accompanying notes from 1 to 27 form an integral part of these interim condensed consolidated financial statements.

Interim consolidated statement of cash flows
For the nine-month period ended September 30, 2025

	Notes	Nine-month period ended September 30 2025 (Unaudited) AED '000	2024 (Unaudited) AED '000
OPERATING ACTIVITIES			
Profit before tax from continuing operations		**13,744**	3,786,711
(Loss)/profit from discontinued operations	26	**(125)**	17,851
Profit before tax		**13,619**	3,804,562
Adjustments for:			
Depreciation of property and equipment	3	**370**	181
Depreciation of right-of-use assets	4	**1,028**	336
Write back of provision for legal cases	22	**(2,353)**	(56,390)
Change in fair value of financial assets at FVTPL	22	**(543)**	-
Write back of liabilities and provisions	22	**(25,389)**	(36,635)
Reversal of allowance for expected credit losses on bank balances	22	**(1,069)**	-
Provision for employees' end of service benefits		**629**	322
Finance cost		**1,004**	1,679
Adjustments resulting from approved restructuring settlement plan	27	**2,340**	(3,749,620)
Allowance for expected credit losses on trade receivables	5	**1,128**	399
Finance income		**(11,052)**	(7,827)
		(20,288)	(42,993)
Changes in working capital:			
Trade and other receivables		**(94,247)**	(11,233)
Due from a related party		**(565)**	14,824
Due to a related party		**-**	29,855
Trade and other payables		**10,843**	(47,886)
Cash used in operations		**(104,257)**	(57,433)
Income tax paid		**(2,118)**	-
Payment of employees' end of service benefits		**(1,651)**	(803)
Net cash flows used in operating activities		**(108,026)**	(58,236)
INVESTING ACTIVITIES			
Purchase of property and equipment	3	**(26,806)**	(2,216)
Proceeds from fixed deposits		**140,030**	-
Interest income received		**10,281**	6,301
Net cash flows from investing activities		**123,505**	4,085
FINANCING ACTIVITIES			
Proceeds from issuance of share capital		**-**	453,927
Repayment of term loan		**-**	(304)
Acquisition of treasury shares, net	10	**-**	(16,276)
Payment of lease liabilities	15	**(1,422)**	(886)
Finance cost paid		**(1,004)**	(1,382)
Net cash flows (used in)/from financing activities		**(2,426)**	435,079
Net change in cash and cash equivalents		**13,053**	380,928
Net foreign exchange difference on translation of monetary items		**(529)**	(721)
Write back of overdraft due to restructuring settlement plan		**-**	452,305
Cash and cash equivalents at the beginning of the period		**171,555**	(449,591)
Cash and cash equivalents at the end of the period	8	**184,079**	382,921

The accompanying notes from 1 to 27 form an integral part of these interim condensed consolidated financial statements.

1 Legal status and principal activities

Drake and Scull International P.J.S.C (the "Company" or the "Parent") was incorporated on November 16, 2008 and registered on January 21, 2009 as a Public Joint Stock Company. The Company is listed on the Dubai Financial Market. The registered address of the Company is P.O Box 65794, Dubai, United Arab Emirates. The Company together with its subsidiaries, as listed below, are referred to as the "Group".

The Group is engaged in carrying out contracting work within the construction industry which mainly includes electrical, plumbing, oil and gas, infrastructure development work, real estate development, air conditioning, water & waste-water treatment works.

These interim condensed consolidated financial statements as at September 30, 2025 include the financial performance and position of the Company and its subsidiaries.

The details of the subsidiaries held by the Group as at September 30, 2025 and December 31, 2024 are as follows:

Component name	Principal activity	Ownership (%) September 30, 2025	December 31, 2024	Country of incorporation
Passavant Energy and Environment GmbH ("Passavant")*	Contracting for wastewater, water and sludge treatment plants	**100%**	100%	Federal Republic of Germany
Drake and Scull Cayman Island Limited	Investment in commercial enterprise and management	**100%**	100%	British Overseas Territory
Effective International Investment LLC	Investment in commercial, agricultural or industrial enterprises & management	**100%**	100%	United Arab Emirates
1996 Advanced Investments LLC	Investment in commercial, agricultural or industrial enterprises & management	**100%**	100%	United Arab Emirates
Emirates Utility Company LLC	Investment in commercial enterprise and management	**100%**	100%	United Arab Emirates
1881 Advanced Investments LLC	Investment in commercial, agricultural or industrial enterprises & management	**100%**	100%	United Arab Emirates
Drake and Scull Engineering LLC (DSE DXB)	Engineering, procurement and construction of Water and Power Infrastructure projects	**100%**	100%	United Arab Emirates
Drake and Scull Engineering LLC (Abu Dhabi branch)	Engineering, procurement and construction of Water and Power Infrastructure projects	**100%**	100%	United Arab Emirates
Drake & Scull International LLC (Abu Dhabi)	Contracting work related to mechanical, electrical and sanitary engineering	**100%**	100%	United Arab Emirates
Drake and Scull for Contracting Oil and Gas Fields Facilities LLC	Oil & Gas Contracting	**70%**	70%	United Arab Emirates
Drake and Scull Real Estate Development L.L.C (a)	Real estate development	**100%**	-	United Arab Emirates

1 Legal status and principal activities (continued)

Component name	Principal activity	Ownership (%) September 30, 2025	December 31, 2024	Country of incorporation
Drake and Scull Building Contracting L.L.C (b)	3D printing building construction contracting and building contracting	**100%**	-	United Arab Emirates
Passavant Engineering Limited-British Virgin Islands	Engineering, procurement and construction	**100%**	100%	Virgin Island (British)
Passavant Energy and Environment Contracting L.L.C (c)	Construction and demolition waste recycling, organic and garbage treatment, sewage and drainage contracting, water pipelines and stations contracting and recycling of waste electrical and electronic	**100%**	-	United Arab Emirates

The Company has a branch in Iraq under the name of 'Drake and Scull International PJSC-Iraq Branch". The Group has investments in various other subsidiaries which are classified as discontinued operations (Note 26).

(a) Drake and Scull Real Estate Development L.L.C was incorporated as a Limited Liability Company under license number 1456884 issued by the Department of Economic Development, Government of Dubai, United Arab Emirates (UAE) on January 16, 2025. The activity of the Company is real estate development. The address of Company's registered office is office 2002, Nasima Tower, Trade Centre 1, Dubai, UAE.

(b) Drake and Scull Building Contracting L.L.C was incorporated as a Limited Liability Company under license number 1478570 issued by the Department of Economic Development, Government of Dubai, United Arab Emirates (UAE) on May 5, 2025. The activities of the Company are 3D printing building construction contracting and building contracting. The address of Company's registered office is office 2002, Nasima Tower, Trade Centre 1, Dubai, UAE.

(c) Passavant Energy and Environment Contracting L.L.C was incorporated as a Limited Liability Company under license number 1478570 issued by the Department of Economic Development, Government of Dubai, United Arab Emirates (UAE) on May 20, 2025. The activities of the Company are Construction and demolition waste recycling, organic and garbage treatment, sewage and drainage contracting, water pipelines and stations contracting and recycling of waste electrical and electronic. The address of Company's registered office is office 2002, Nasima Tower, Trade Centre 1, Dubai, UAE.

* Passavant has the following subsidiaries:

Component name	Principal activity	Ownership (%) September 30, 2025	December 31, 2024	Country of incorporation
Passavant Energy and Environment India Private Limited	Engineering, procurement and construction	**100%**	100%	Republic of India
Balkanstek SRL former Passavant Energy & Environment SRL	Engineering, procurement and construction	**100%**	100%	Romania

1 Legal status and principal activities (continued)

* Passavant has the following subsidiaries (continued):

Component name	Principal activity	Ownership (%) September 30, 2025	Ownership (%) December 31, 2024	Country of incorporation
Passavant Energy & Environment FZE	Engineering, procurement and construction	**100%**	100%	United Arab Emirates
Passavant Roediger Bulgaria EOOD	Engineering, procurement and construction	**100%**	100%	The Republic of Bulgaria
Passavant Engineering SRL	Engineering, procurement and construction	**100%**	100%	Romania
Passavant Engineering North Africa	Engineering, procurement and construction	**100%**	100%	The Republic of Tunisia
DSWE	Engineering, procurement and construction	**100%**	100%	Republic of India
Passavant Engineering Specialist Solutions GmbH	Supply of water treatment plants	**100%**	100%	Federal Republic of Germany

As at September 30, 2025 and December 31, 2024, Passavant has the following joint Ventures and branches:

Joint Ventures:

- JV - Passavant Roediger & Sec Yapi Consortium – *Turkey*
- JV Passavant Energy & Environment GmbH, Equipment Sales and Service Company, Hinnawi Contracting Company - *Palestine*
- Acciona Agua Sau Passavant Roediger GmbH Ute (EUR) Joint Venture Egypt (EGP) - *Egypt*
- Consortium Passavant Energy and Environment GmbH and Arab Towers Contracting Company - *Jordan*
- The Consortium of Passavant Energy & Environmental GmbH and Masoud & Ali Partners Contracting – *Palestine*
- Consortium of Passavant Energy & Environmental GmbH & Hussein Atieh & Sons Co LLC – Jordan
- JV of Larsen & Toubro - Passavant Energy & Environment – *India*
- Consortium Passavant Energy and Environment GmbH & Ludwig Pfeiffer Hoch- und Tiefbau GmbH - *Moldova*
- Consortium 815129 STP, Tukucha Khola - *Nepal*

Branches:

- Passavant Energy & Environment Sucursala Bucuresti - *Romania*
- Passavant Energy & Environment - *Kosovo*
- Passavant Energy & Environment - *Egypt*
- Passavant Energy & Environment GmbH - *Moldova*
- Project office of Passavant Energy & Environment GmbH (Nathdwara & Allahabad) - *India*
- Passavant Energy & Environment GmbH - *Palestine*
- Passavant Energy & Environment - *Turkey*
- Passavant Energy & Environment GmbH – *Jordan*
- Passavant Energy & Environment - *Algeria*
- Passavant Energy & Environment GmbH - *Bulgaria*
- Passavant Engineering – *Tunisia*
- Passavant Energy & Environment Limited - *Kingdom of Saudi Arabia*

2 Statement of compliance and material accounting policies

a) Basis of preparation

The interim condensed consolidated financial statements of the Group for the nine-month period ended September 30, 2025 have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*, as issued by the International Accounting Standard Board.

The interim condensed consolidated financial statements do not include all the information required in the annual consolidated financial statements prepared in accordance with IFRS Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended December 31, 2024.

In addition, the results for the nine-month period ended September 30, 2025 are not necessarily indicative of the results that may be expected for the financial year ending December 31, 2025.

Accounting policies, estimates and assumptions adopted for the preparation of these interim condensed consolidated financial statements are the same as those applied in the preparation of the audited consolidated financial statements as at and for the year ended December 31, 2024.

The interim condensed consolidated financial statements have been prepared on an accruals basis under the historical cost convention except for financial asset at fair value through profit or loss (FVTPL) which has been measured at fair value.

b) Going concern

As at September 30, 2025, the accumulated losses exceed 50% of the Company's share capital. Furthermore, for the nine-month period ended September 30, 2025, the Group generated negative cash flows from operations of AED 108,026 thousand (September 30, 2024: negative AED 58,236 thousand). Notwithstanding, these interim condensed consolidated financial statements have been prepared on a going concern basis, taking into consideration several factors as further disclosed below:

The Group's management and the Board of Directors have reassessed the Group's ability to continue as a going concern. The reassessment was based on the following factors:

- Availability of sufficient liquidity in the form of a sufficient bank balance to service its operating activities and debt;
- During the period, the Group has been awarded a major project in the UAE with a total contract value of AED 1 billion; and
- Given the Court's decision (i.e. 90/10 basis) potential future claims, if any, in relation to liabilities incurred within the period covered by the approved restructuring settlement plan are not expected to have a material impact on the Group.

Furthermore, management and the Board of Directors are not aware of any material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern.

Based on the above, the interim condensed consolidated financial statements have been prepared on a going concern basis.

c) Functional and presentation currency

The interim condensed consolidated financial statements are presented in Arab Emirates Dirham ("AED"), which is also the Company's functional currency. All values are rounded to the nearest thousand (AED '000) except when otherwise indicated.

d) Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at September 30, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

2 Statement of compliance and material accounting policies (continued)

d) Basis of consolidation (continued)

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the interim condensed consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Profit or loss and each component of OCI are attributed to the equity holders of the Company and to the non-controlling interest, even if this results in the non-controlling interest having a deficit balance.

If the Group losses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

e) Significant accounting estimates and judgments

The preparation of the interim condensed consolidated financial statements in conformity with IAS 34 requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates, assumptions and judgements.

The significant judgements made by the management in applying the Group's accounting policies and the key sources of estimation uncertainty are the same as those applied in the preparation of the consolidated financial statements of the Group as at and for the year ended December 31, 2024.

f) New Standards, Interpretations and Amendments adopted as at January 1, 2025

Accounting pronouncement that has become effective from January 1, 2025 has been adopted by the Group. However, such pronouncement does not have any significant impact on the interim condensed consolidated financial statements therefore further disclosures have not been made.

g) Financial risk management

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

2 Statement of compliance and material accounting policies (continued)

g) Financial risk management (continued)

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; therefore, these should be read in conjunction with the Group's consolidated financial statements for the year ended December 31, 2024.

There have been no changes in the risk management policies and process since the year ended December 31, 2024.

3 Property and equipment

During the nine-month period ended September 30, 2025, the Group acquired property and equipment amounting to AED 26,806 thousand which mainly include plot of land located in Majan, Dubai (September 30, 2024: AED 2,216 thousand).

Depreciation charge on property and equipment for the nine-month period ended September 30, 2025 amounts to AED 370 thousand (September 30, 2024: AED 181 thousand). Furthermore, an impact resulting from foreign currency translation amounts to AED 105 thousand (September 30, 2024: AED 270 thousand).

4 Right of use assets

During the nine-month period ended September 30, 2025 and September 30, 2024, the Group did not enter into new lease agreement.

Depreciation charge on right of use assets for the nine-month period ended September 30, 2025 amounts to AED 1,028 thousand (September 30, 2024: AED 336 thousand). Furthermore, an impact resulting from foreign currency translation amounts to AED 165 thousand (September 30, 2024: AED 4 thousand).

5 Trade and other receivables

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
Financial assets at amortised cost:		
Trade receivables, gross	**433,112**	436,747
Less: allowance for expected credit losses	**(424,328)**	(422,120)
Trade receivables, net	**8,784**	14,627
Balance held with a third-party licensed Market Maker	**22,786**	30,907
Retentions receivable	**14,245**	11,156
Accrued interest	**771**	2,163
Other receivables	**35,842**	22,084
	82,428	80,937
Non-financial assets at amortised cost:		
Prepayments	**2,070**	1,473
Advance to suppliers and sub-contractors	**52,872**	8,237
VAT receivable	**36,966**	25,220
	174,336	115,867
Less: non-current portion of retentions receivable	**(12,144)**	(7,386)
Trade and other receivables	**162,192**	108,481

Notes to the interim condensed consolidated financial statements (continued)
For the nine-month period ended September 30, 2025

5 Trade and other receivables (continued)

During the period ended September 30, 2025, an allowance for expected credited losses of AED 1,128 thousand (September 30, 2024: AED 399 thousand) was recorded in the interim consolidated statement of profit or loss.

Furthermore, an impact resulting from foreign currency translation amounts to AED 1,080 thousand (September 30, 2024: AED 1,683 thousand).

Other receivables include a deposit amount of AED 15 million made to a real estate broker for the acquisition of a plot of land located in the city of Al Ain.

6 Financial asset at fair value through profit or loss

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
Investment in a real estate fund	**1,894**	1,351

During the year, the Group recognised a fair value gain of AED 543 thousand (September 30, 2024: AED Nil). The fair value of the fund represents liquidation/redemption value assessed by the fund manager based on observable market data.

7 Related party balances and transactions

Related parties represent major shareholders, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management in line with the approval of the Group's Board of Directors.

Balances with related parties included in the interim consolidated statement of financial position are as follows:

Due from a related party

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
Campco Properties LLC – *Associate*	**77,039**	76,474
Less: allowance for expected credit losses	**(23,227)**	(23,227)
	53,812	53,247

Related party transactions

Transactions with related parties included in the interim consolidated statement of comprehensive income is as follows:

	Three-month period ended September 30,		**Nine-month period ended September 30,**	
	2025 (Unaudited) AED'000	2024 (Unaudited) AED'000	**2025 (Unaudited) AED'000**	2024 (Unaudited) AED'000
Campco Properties LLC – *Associate*				
Salaries and other expense	**234**	-	**565**	293

7 Related party balances and transactions (continued)

Compensation of key management personnel

The remuneration of key management personnel during the period were as follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	AED'000	AED'000	**AED'000**	AED'000
Short-term benefits	**1,820**	752	**3,719**	2,133
End of service benefits	**40**	27	**117**	83
Directors' fee (Note 21)	**-**	-	**2,450**	-
	1,860	779	**6,286**	2,216

8 Cash and cash equivalents

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	AED'000	AED'000
Bank balances*	**280,323**	405,502
Cash in hand	**687**	615
	281,010	406,117
Less: allowance for expected credit losses	**(14,519)**	(15,588)
Cash and bank balances	**266,491**	390,529
Less: bank overdrafts (Note 16)	**(6,553)**	(6,420)
Less: fixed deposits with original maturity of more than three months	**(40,000)**	(180,030)
Less: deposits under lien*	**(35,859)**	(32,524)
Cash and cash equivalents	**184,079**	171,555

*Bank balances include deposits under lien against bank guarantees amounting to AED 35,859 thousand (2024: AED 32,524 thousand) that carry an average interest ranging between 3% to 7.3% per annum (2024: 4% to 7.7% per annum).

9 Share capital

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	AED'000	AED'000
Authorised, issued and fully paid 2,886,697,023 shares of AED 1 each (2024: 2,886,697,023 shares of AED 1 each)	**2,886,697**	2,886,697

10 Treasury shares

This represents the acquisition cost of the Company's own shares traded by the Market Maker. As at September 30, 2025, the Market Maker held 22,053,793 (December 31, 2024: 1,226,412) of the Company's own shares on behalf of the Company.

As at September 30, 2025 and December 31, 2024 the Company also held a balance with the Market Maker to be utilised for the acquisition of further treasury shares (Note 5).

11 Statutory reserve

As required by Article 241 of the UAE Federal Decree-Law No. 32 of 2021, 5% of the profit for the year is required to be transferred to the statutory reserve. The Group may resolve to discontinue such annual transfers when the reserve equals 50% of the nominal value of the paid-up share capital. The reserve is not available for distribution except as stipulated by law.

During the period, the Group absorbed an amount of AED 479,454 thousand of accumulated losses from statutory reserve. The Group obtained approval from the shareholders in its Annual General Meeting held on April 30, 2025.

12 Mandatory Convertible Sukuks ("MCS")

During the period, the Group issued additional 468 MCS resulting in total MSC of 74,094 (December 31, 2024: 73,626 MCS) to its qualified creditors at the rate of AED 5,000 per MCSs. MCSs are convertible into ordinary shares of the Company after a period of 5 years from the date of their issuance.

In accordance with the MCSs agreement, the overall converted shares shall be 35% of the overall issued capital of the Company post conversion. Consequently, any further issuance as a result of acceptance of late claims by the court expert would dilute the holding percentage of the existing MCSs holders. Movement during the period/year is as follows:

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
As at the beginning of period/year	**368,130**	-
Issued during the period/year (Note 27)	**2,340**	368,130
As at the end of period/year	**370,470**	368,130

13 Non-controlling interest

This represents proportion of interest and voting rights held by non-controlling interest in Drake and Scull International L.L.C (Oman). As at September 30, 2025, the NCI holds 49% (December 31, 2024: 49%).

14 Provisions

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
Provision for legal cases	**31,764**	33,885
Provision for bond encashment	**10,271**	14,017
	42,035	47,902

15 Lease liabilities

During the nine-month period ended September 30, 2025, the Group made payments of AED 1,422 thousand (September 30, 2024: AED 886 thousand). Interest charged on leases for the nine-month period ended September 30, 2025 amounts to AED 230 thousand (September 30, 2024: AED 297 thousand).

16 Bank borrowings

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
Bank overdrafts (Note 8)	**6,553**	6,420
Bond encashment	**2,612**	2,312
	9,165	8,732

16 Bank borrowings (continued)

Bank overdrafts carry interest rates ranging between 7% to 9% per annum (2024: 9% to 12% per annum). One of the overdraft facilities of Euro 4 million (2024: Euro 4 million) is secured against corporate guarantee from the Company.

17 Trade and other payables

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
Financial liabilities at amortised cost:		
Trade payables	**52,815**	65,195
Employee liabilities	**32,832**	69,004
Accrued expenses	**25,457**	10,546
	111,104	144,745
Non-financial liabilities at amortised cost:		
Withholding tax payable	**5,751**	5,759
	116,855	150,504

18 Contingencies and commitments

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
Contingencies:		
Letters of guarantee	**270,016**	281,182
Performance bonds	**240,816**	261,500
	510,832	542,682
Commitments:		
Letters of credit	**1,874**	4,653

Legal cases - the Group as plaintiff

During the year 2018, the Group informed DFM that there were suspicious material financial violations by the previous management of the Group which are currently under investigation by the designated authorities in the UAE. Accordingly, the Company filed civil and criminal cases against the previous management and others with respect of these violations whereby criminal complaints were filed with the Abu Dhabi Public Funds Prosecutor's office. These legal cases are ongoing, and the Company is continuously following up with their status with the objective to protect the rights of the shareholders of the Company.

Legal cases - the Group as defendant

The Group is facing multiple civil cases from ex-employees mainly related to non-payment of their dues. Management assessed and concluded that in respect of the employee cases, the liabilities recorded by the Group in these interim condensed consolidated financial statements are sufficient to cover such dues.

The Group is also facing several civil legal cases with suppliers and subcontractors for non-payment of their dues. On the basis that any such claims that may be approved by the expert appointed by the Court will be subject to the settlement criteria of 90% write-back and 10% settlement in cash or Sukuk, management has concluded that no additional provisions are required to be recognised by the Group. The Group continues the settlement of legal cases with ex-employees and commercial creditors according to the approved restructuring settlement plan.

19 Revenue from contract with customers

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	AED'000	AED'000	**AED'000**	AED'000
Type of revenue:				
Wastewater, water and sludge treatment projects	**45,601**	20,736	**123,247**	68,565
Contracting/plumbing services	**11,415**	-	**11,671**	1,835
	57,016	20,736	**134,918**	70,400

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	AED'000	AED'000	**AED'000**	AED'000
Geographical market				
India	**30,240**	8,733	**78,611**	38,961
Tunisia	**5,447**	5,581	**19,517**	11,578
Romania	**7,415**	5,688	**16,165**	14,772
United Arab Emirates	**11,415**	-	**11,671**	1,835
Jordan	**912**	435	**4,470**	2,233
Kingdom of Saudi Arabia	**1,169**	270	**2,538**	975
Others	**418**	29	**1,946**	46
	57,016	20,736	**134,918**	70,400

All the Group's revenue is recognised over time.

Revenue for the nine-months period ended September 30, 2025 include AED 645 thousand (2024: AED 228 thousand) from the contract liability balance at the beginning of the period.

Contract balances

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	AED'000	AED'000
Retentions receivable (Note 5)	**14,245**	11,156
Trade receivable, net (Note 5)	**8,784**	14,627
Contract assets, net (see below)	**40,213**	14,718
Contract liabilities (see below)	**(59,844)**	(36,093)

Contract assets

Contract assets relate to revenue earned from provision of wastewater treatment, sludge treatment projects, plumbing projects and contracting services.

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	AED'000	AED'000
Amount due from contracts with customers	**214,597**	188,022
Less: allowance for expected credit losses	**(174,384)**	(173,304)
	40,213	14,718

19 Revenue from contract with customers (continued)

Contract liabilities

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
Due to customers for contract work	**45,104**	22,466
Short-term customer advances	**14,740**	13,627
	59,844	36,093

20 Cost of revenue

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025 (Unaudited) AED'000	2024 (Unaudited) AED'000	**2025 (Unaudited) AED'000**	2024 (Unaudited) AED'000
Material costs	**25,778**	5,383	**72,960**	25,090
Sub-contracting costs	**18,676**	10,572	**35,056**	28,245
Labour and staff cost	**3,715**	2,072	**8,210**	8,489
Depreciation of property and equipment (Note 3)	**147**	19	**179**	64
Other costs	**3,581**	1,489	**7,457**	3,617
	51,897	19,535	**123,862**	65,505

21 General and administrative expenses

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025 (Unaudited) AED'000	2024 (Unaudited) AED'000	**2025 (Unaudited) AED'000**	2024 (Unaudited) AED'000
Salaries and other employee benefits	**5,952**	5,284	**18,855**	15,005
Legal and professional fees	**2,292**	3,902	**6,457**	9,257
Directors' fee (Note 7)	**-**	-	**2,450**	-
Office expenses	**310**	237	**1,105**	662
Business development	**227**	216	**1,033**	993
Depreciation of right-of-use assets	**396**	187	**1,028**	336
IT related expenses	**189**	1	**545**	7
Short-term leases	**122**	509	**366**	1,398
Transportation	**88**	85	**216**	208
Business travel	**58**	11	**199**	162
Depreciation of property and equipment (Note 3)	**75**	35	**191**	117
Bank charges	**26**	30	**82**	98
Others	**431**	873	**2,147**	4,353
	10,166	11,370	**34,674**	32,596

22 Other income

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025 (Unaudited) AED'000	2024 (Unaudited) AED'000	**2025 (Unaudited) AED'000**	2024 (Unaudited) AED'000
Liabilities written-back*	**3,279**	10,584	**25,389**	13,451
Write-back of provision for legal cases	**2,353**	29,117	**2,353**	56,390
Dividend income	**391**	-	**1,731**	-
Reversal of allowance for expected credit losses on bank balances	**1,069**	-	**1,069**	-
Rental income	**335**	336	**996**	879
Change in fair value of financial assets at FVTPL (Note 6)	**543**	-	**543**	-
Write-back of provision related to a subsidiary with loss of control	**-**	-	**-**	13,673
Reversal of provision related to disposal groups	**-**	-	**-**	9,511
Recovery of receivables written off in prior periods	**-**	-	**-**	1,854
Others	**78**	3,554	**2,304**	3,881
	8,048	43,591	**34,385**	99,639

*These liabilities have been written-back as the related dues have been settled with the respective parties and the Group does not expect any further outflow of economic resources in relation to these obligations.

23 Income tax

This represents provision for income tax recorded in accordance with the provisions of UAE Corporate Tax and Corporate Tax Laws applicable in respective foreign jurisdictions of operations. Income tax for the current period have been provided on the basis of estimated taxable income computed by the Group using tax rates, enacted at the reporting date, applicable in the respective countries in which the Group operates and any adjustment to tax in respect of previous periods.

The major components of income tax expense or reversal in interim condensed consolidated financial statements are follows:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025 (Unaudited) AED'000	2024 (Unaudited) AED'000	**2025 (Unaudited) AED'000**	2024 (Unaudited) AED'000
Current income tax:				
Current period	**(975)**	1,648	**(2,907)**	(3,655)
Prior period	**2,136**	-	**2,136**	-
Deferred tax:				
Reversal of temporary differences	**(1,800)**	-	**(1,800)**	-
Income tax expense reported in profit or loss	**(639)**	1,648	**(2,571)**	(3,655)

23 Income tax (continued)

During the period, the Group submitted its corporate tax return for the year ended December 31, 2024, while computing the taxable income, the Group excluded gain of AED 3.7 billion resulting from write back of its liabilities under approved restructuring settlement plan. The management treatment to exclude such gain was based on private clarification sought from the Federal Tax Authority ("FTA") with regards to tax treatment of such gain. The Group had sought clarifications for three of its companies that were part of restructuring settlement plan. On July 2, 2025, the Management received a response for one of the three entities only.

In accordance with clarification received from the FTA, the management believes that the gain arising from the restructuring will not be subject to corporate tax as the certain conditions outlined in the clarification were met. The eligibility to exempt such gain was also contingent on the fair valuation of such liabilities at the beginning of the first taxable period, therefore the management engaged an independent valuer to assess the fair value of the restructured liabilities. The report from the valuation expert indicated fair value of such liabilities to be Nil as at January 1, 2024. Accordingly, considering the satisfaction of conditions under Article 4(1) of Ministerial Decision No. 120 of 2023 and fair value of the liabilities, the management excluded such gain while computing the taxable income for the year ended December 31, 2024.

Furthermore, as of September 30, 2025 the Group did not receive response from FTA concerning the remaining two entities involved in the restructuring. However, in order to meet the corporate tax return filing timeline and given the similarity in the accounting treatment, the Group decided to benchmark the existing clarification received on July 2, 2025 to determine the taxable income for the remaining two entities. Based on the conclusion drawn on the FTA clarification, management excluded the gains in the respective tax returns of remaining two entities, mirroring the approach taken for the entity for which clarification had been received.

Deferred tax

The deferred tax relates to brought forward losses of Passavant which are available indefinitely to be offset against future taxable profit.

24 Earnings per share

Basic earnings per share ("EPS") is calculated by dividing the profit/(loss) for the period attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the Parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	Three-month period ended September 30,		**Nine-month period ended September 30,**	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	AED'000	AED'000	**AED'000**	AED'000
Profit attributable to ordinary equity holders of the Parent:				
Continuing operations	**4,515**	7,017	**11,173**	3,783,056
Discontinued operations	**-**	92	**(66)**	14,047
Profit attributable to ordinary equity holders of the Parent for basic and diluted earnings	**4,515**	7,109	**11,107**	3,797,103

24 Earnings per share (continued)

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	AED'000	AED'000	**AED'000**	AED'000
Weighted average number of ordinary shares for basic EPS	**2,875,791**	2,015,913	**2,875,791**	2,015,913
Add: effect of dilution from MCSs	**1,554,375**	1,554,375	**1,554,375**	1,554,375
Total weighted average number of ordinary shares adjusted for the effect of dilution	**4,430,166**	3,570,288	**4,430,166**	3,570,288
Earnings per share:				
Basic earnings per share				
From continuing operations	**0.002**	0.003	**0.004**	1.877
From discontinued operations	**-**	-	**-**	0.007
	0.002	0.003	**0.004**	1.884
Diluted earnings per share				
- From continuing operations	**0.001**	0.002	**0.003**	1.060
- From discontinued operations	**-**	-	**-**	0.004
Diluted earnings per share	**0.001**	0.002	**0.003**	1.064

The weighted average number of shares takes into account the weighted average effect of changes in treasury shares during the period.

25 Segment reporting

Information regarding the Group's operating segments set out below is in accordance with IFRS 8 "Operating Segments". IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the "Executive management" who are the Chief Operating decision-makers in order to allocate resources to the segment and to assess its performance. Executive management assesses the performance of the operating segments based on revenue.

25 Segment reporting (continued)

Business segments

For management purposes, the Group is organised into business units based on their types of services and has three reportable business segments which are: (1) Wastewater treatment and water sludge, (2) Mechanical, Electrical and Plumbing (MEP) and Construction and (3) Corporate.

The wastewater treatment and water sludge business involve the construction of plants for purification of contaminated water through various treatment processes and the management of the resulting solid by-products (sludge) for safe disposal or reuse. The MEP segment carries out contracting work relating to the construction industry, such as mechanical, electrical, plumbing and sanitation work. Corporate segment represents the corporate office of the Group.

During the nine-month period to September 30, 2025, there have been no changes from prior periods in the measurement methods used to determine operating segments and reported segment profit or loss. Segment information for the period ended September 30 is as follows:

	2025 (Unaudited)				2024 (Unaudited)			
	Wastewater treatment and water sludge	MEP and Construction	Corporate	Total	Wastewater treatment and water sludge	MEP and Construction	Corporate	Total
	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Revenue								
External customers	123,247	11,671	-	134,918	68,565	1,835	-	70,400
Income/(expense)								
Sub-contracting cost	(27,471)	(7,585)	-	(35,056)	(28,245)	-	-	(28,245)
Material costs	(72,960)	-	-	(72,960)	(25,090)	-	-	(25,090)
Other direct costs	(13,412)	(2,434)	-	(15,846)	(10,333)	(1,837)	-	(12,170)
General and administrative expenses	(12,429)	(5,288)	(16,957)	(34,674)	(10,895)	(5,499)	(16,202)	(32,596)
Operating profit	(3,025)	(3,636)	(16,957)	(23,618)	(5,998)	(5,501)	(16,202)	(27,701)
Restructuring costs	-	-	(3,603)	(3,603)	-	-	(40,894)	(40,894)
Expected credit losses	-	(1,128)	-	(1,128)	(399)	-	-	(399)
(Loss)/gain resulting from approved restructuring settlement plan	-	(385)	(1,955)	(2,340)	-	537,505	3,212,115	3,749,620
Other income	2,458	21,059	10,868	34,385	167	16,006	83,466	99,639
Finance income	666	6	10,380	11,052	578	-	7,249	7,827
Finance cost	(822)	(75)	(107)	(1,004)	(581)	196	(996)	(1,381)
Segment profit before tax	(723)	15,841	(1,374)	13,744	(6,233)	548,206	3,244,738	3,786,711

25 Segment reporting (continued)

	Wastewater treatment and water sludge AED'000	MEP AED'000	Corporate AED'000	Elimination AED'000	Total AED'000
As at September 30, 2025 (*Unaudited*)					
Total assets	**200,728**	**380,238**	**918,975**	**(912,961)**	**586,980**
Total liabilities	**188,231**	**233,993**	**511,780**	**(690,013)**	**243,991**
As at December 31, 2024 (*Audited*)					
Total assets	163,902	335,799	952,495	(852,145)	600,051
Total liabilities	148,271	233,795	505,396	(625,413)	262,049

Reconciliation of assets:

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
Segment assets	**586,980**	600,051
Assets held for sale (Note 26)	**47,025**	46,975
	634,005	647,026

Reconciliation of liabilities:

	September 30, 2025 (Unaudited) AED'000	December 31, 2024 (Audited) AED'000
Segment liabilities	**243,991**	262,049
Liabilities directly associated with the assets held for sale (Note 26)	**233,406**	233,242
	477,397	495,291

26 Discontinued operations

The Group has following entities/ventures classified as discontinued operations.

Egypt
- Drake & Scull International for Contracting SAE (D&S Egypt)
- Oil and Gas Egypt

Kuwait
- Drake & Scull International for Electrical Contracting WLL (D&S Kuwait)

People's Democratic Republic of Algeria
- DSC CCC JV (DSC Algeria)
- Drake & Scull Engineering - Algeria (DSE Algeria)

Hashemite Kingdom of Jordan
- Drake & Scull Engineering LLC (D&S Jordan)
- Drake & Scull International (DSI Jordan)

26 Discontinued operations (continued)

Thailand

- Drake & Scull International (Thailand) Company Limited (D&S Thailand)
- Drake & Scull International (Asia) Limited (DSI ASIA)

Syrian Arab Republic

- Drake & Scull Syria Limited Liability Company - (D&S Syria)

Kingdom of Saudi Arabia

- Drake & Scull International PJSC (Branch - DSWP KSA)

Qatar

- Drake and Scull Water & Power - (DSWP Qatar)

State of Libya

- DS International FOR General Contracting

Sultanate of Oman

- Drake & Scull International LLC (Oman)

United Arab Emirates

- DSI-HLS Joint Venture (AUH)
- HLS-DSE Joint Venture (DXB) – JOC
- HLS-DSE Joint Venture (DXB) – Habtoor

DSC CCC JV (DSC Algeria) & Drake & Scull Engineering - Algeria (DSE Algeria)

On July 20, 2023, DSC CCC JV (DSC Algeria), Algeria received a termination notice from its client in Algeria (Emiral) for its project Zone -1 (consisting of four residential high-rise buildings) and Zone 4 (consisting of fifteen villas) of the Multipurpose real property complex, located in the Town of Staoueli, Wilaya of Algiers. In addition, due to the termination of the main contract with Emiral, Drake & Scull Engineering Algeria as MEP sub-contractor of the project working under DSC CCC JV (DSC Algeria) umbrella, was not able to continue its operations in Algeria.
As the contract with Emiral is the only business in Algeria for DSC CCC JV (DSC Algeria), Algeria and Drake & Scull Engineering Algeria, both subsidiaries stopped their operations completely in Algeria and management does not have the intent to bid for new projects in the country.

Based on the above facts, management decided to treat its operations in Algeria as discontinued operations.

Drake & Scull International for Contracting SAE

Drake & Scull International for Contracting SAE ("DSIC") had one project in Egypt (Nile Corniche Project). Although the project was successfully completed and handed over in 2020, the main contractor liquidated DSIC's advance payment guarantee of USD 2,259,718 and performance guarantee of USD 12,895,500 on March 28, 2023, years after DSIC's successful works and project delivery. DSI PJSC is resorting to the dispute resolution clauses in the subcontract agreement that will ultimately lead to taking the main contractor to arbitration as per the subcontract agreement terms and conditions. The management did not find favorable opportunities within this territory to keep the operation alive and profitable, and accordingly, management decided to treat its operations in Egypt as discontinued operations.

Drake & Scull International Oman

In 2018, management initiated the liquidation of Drake & Scull International Oman, which has reached advanced stages and is expected to be completed during the year ending December 31, 2025.

26 Discontinued operations (continued)

Financial information of discontinued operations:

The results of the discontinued operations are presented below:

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2025	2024	**2025**	2024
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)
	AED'000	AED'000	**AED'000**	AED'000
Statement of comprehensive income				
Other income	**-**	92	**-**	19,718
General and administrative expenses	**-**	-	**(125)**	(1,867)
Profit/(loss) from discontinued operations	**-**	92	**(125)**	17,851

The major classes of assets and liabilities of the discontinued operations as at the reporting date are as follows:

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	AED'000	AED'000
Assets:		
Property and equipment	**30**	30
Trade and other receivables	**45,128**	45,091
Cash and bank balances	**1,867**	1,854
	47,025	46,975

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	AED'000	AED'000
Liabilities:		
Trade and other payables	**137,934**	138,000
Bank borrowings	**95,472**	95,242
	233,406	233,242

Cash and cash equivalent related to discontinued operations are as follows:

	September 30, 2025	December 31, 2024
	(Unaudited)	(Audited)
	AED'000	AED'000
Cash and bank balances	**1,867**	1,854
Less: bank overdrafts	**(95,472)**	(95,242)
Bank overdrafts related to discontinued operations, net of cash	**(93,605)**	(93,388)

27 Restructuring

In the year 2024, the Group in accordance with the Dubai Court order and approved restructuring settlement plan wrote-back its liabilities payable to all qualified financial lenders and trade creditors. Consequently, the implementation of the restructuring settlement plan as approved by the Dubai Court of appeal resulted in write-back of liabilities and conversion of liabilities to Mandatory Convertible Sukuks ("MCSs") in the amount of AED 3,792,884 thousand and AED 368,130 thousand, respectively.

In the year 2024, the Group also wrote back excess liabilities in the amount of AED 356 million that were directly related to the excess provisions and accrued interest.

During the period ended September 30, 2025, the Group recorded an amount of AED 2,340 thousand on account of late claims filed and accepted by the court expert against which MCSs of AED 2,340 thousand were issued during the period.