Detailed Analysis of Accumulated Losses

Date:	12 November 2025
Name of the Listed Company:	Drake & Scull International PJSC
Define the period of the financial statements:	30 September 2025
Value of the Accumulated losses ' AED 000 ':	1,589,312
Accumulated losses to paid-up capital ratio (%):	55%
The main reasons for accumulated losses and the period in which these losses began. (Determine the period in which these losses began to appear in the company's financial statements):	The accumulated losses incurred between 2015 and 2019 mainly due to the following: 1. Projects' overruns and contract receivables in legacy projects in GCC and India. 2. Full impairment of Goodwill and Trademark in 2018. 3. Liquidation of performance bonds and guarantees due to performance in legacy projects. 4. Bank bans and court orders, which led to inability to access liquidity to fund projects and operations. The losses began to appear in the company's financial statements in Q3 2015 financial statements published on DFM.
Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	1. Implementation of restructuring business plan. 2. Improvement of the liquidity position after raising the new equity. 3. Developing effective and efficient operational business practices. 4. Pursue legal cases to collect receivables and legal claims.

	5. Reducing overhead costs to the minimum level. 6. Bidding on new projects to generate profits and long term value. 7. Modify group's strategy to be less dependent on general contracting and MEP projects, by diversifying to niche real estate development and specialized engineering projects.
The date on which the company's general assembly approved the plan for dealing with accumulated losses:	The restructuring settlement plan was approved by Dubai Court of Appeal on 1 November 2023.

The Measures that will be taken to deal with the accumulated losses and the approved plan				
Actions	The time frame for implementing the action according to the approved plan	The implemented action and the percentage of implementation	Reasons for not implementing the action or delaying	Any modifications or changes made to the action
Winning new profitable projects	1 Year	The company announced winning new projects with total value of AED 1,395 million in 2025 in UAE and overseas. The Company announced its first real estate development project; expected to be complete at the end of 2026.	This action is a continuous process, and new bids are currently in progress.	No
Recovery of receivables previously fully provided for.	1 Year	Started at early stage before closing the restructuring process .	We are perusing several legal cases to recover as many receivables as possible.	No

Collections from legal cases	Subject to local courts time lines	Started at early stage before closing the restructuring process. The group already disclosed on DFM the status of some legal cases. Several legal firms were appointed to pursue these cases.	This action is a continuous given the complex and length legal process.	No

The Name of the Authorized Signatory	Khalid Al Sukhon
Designation	Chief Financial Officer
Signature and Date	12 November 2025
Company's Seal	5-s دريك آند سكل انترناشيونال ش.م.ع Drake & Scull International PJSC P.O. Box: 63794, DUBAI, U.A.E.