Drake & Scull

Detailed Analysis of Accumulated Losses

Date	14 November 2022
Name of the Listed Company	Drake & Scull International PJSC
Define the period of the financial statements	30 September 2022
Value of the Accumulated losses (Million Dirhams)	AED (5,031) million
Accumulated losses to capital ratio	470 %
Main reasons leading to substantial accumulated losses	The significant losses incurred mainly due to following: - Work in progress and contract receivables in legacy projects in Oman, India, KSA, and UAE. - Full impairment of Goodwill and Trademark as at December 31, 2018. - As a result of poor performance on legacy projects, the actual costs of completing projects were more than the budgets in addition to liquidating bonds. - Idle labor cost was high due to absence of new projects in addition to bank bans and court orders.
Measures to be taken to address accumulated losses	• Finalizing the restructuring process and business plan. • Raising new equity. • New projects award. • Developing effective and efficient operational business practices. • Pursue legal cases to collect all company receivables. • Controlling the overhead at the optimal level.

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