Detailed Analysis of Accumulated Losses

Date:	07 Aug 2026
Name of the Listed Company:	Drake & Scull International PJSC
Define the period of the financial statements:	30th June 2026
Value of the Accumulated losses 'AED 000':	1,666,999
Accumulated losses to paid-up capital ratio (%):	58%
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. Realigning the Group's strategy to reduce reliance on Engineering & Construction and the Infrastructure and Water sectors, through diversification into 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 1,400 million in 2025 in UAE and overseas. In 2026, the Company has won MEP project in Business Bay Dubai worth AED 52.8 million. The Company also announced its first real estate development project; expected to be complete at the end of 2027.	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
Collection of restricted bank balances and dividends	1 Year	The group managed to recover restricted bank balances from old bank accounts after clearing legal cases attached to these accounts amounting to AED 1M and dividend income from investment in a fund amounting to AED 1.7M during 2025.	Recovery of AED 1M was made during 2025 and management was able to clear legal cases with such banks. Recovery from other old bank accounts is in progress and subject to clearance of legal cases attached to these bank accounts.	No

The Name of the Authorized Signatory	**Khalid Al Sukhon**
Designation	**Chief Financial Officer**
Signature and Date	**07 Aug 2026**
Company's Seal	5-a دريك آند سكل انترناشيونال ش.م.ع Drake & Scull International PJSC P.O. Box: 65794 , DUBAI, U.A.E.