

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

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

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**  
**For the period ended June 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 June 30, 2025, and the related interim consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods then ended, and the related statements of changes in equity and cash flows for the six-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 12,683 thousand as at June 30, 2025 and AED 12,683 thousand as at December 31, 2024 and completeness and accuracy of guarantees and bonds of AED 418,787 thousand as at June 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 June 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 25 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 six-month periods ended June 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.



## **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 June 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 six-month periods ended June 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 June 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), indicate 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.

### **Emphasis of Matter**

We draw attention to Note 17 to the interim condensed consolidated financial statements, which describes uncertainty over the computation of taxable gain of AED 3,790,544 thousand resulting from the restructuring of the liabilities in accordance with the approved restructuring settlement plan implemented during the year ended December 31, 2024. As disclosed, the gain resulting from the restructuring of the liabilities will be subject to tax if certain conditions, as clarified by the Federal Tax Authority, are not met and the computation of taxable gain is dependent on the fair valuation of restructured liabilities at the beginning of first taxable period. However, as of the date of issuance of the interim condensed consolidated financial statements the Group has not recorded provision for such taxable gain as the Group is in process of determining the fair value of such liabilities and incorporate fair value of these liabilities in the computation of the taxable income. Our conclusion is not modified in respect of this matter.

**GRANT THORNTON UAE**

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

**August 12, 2025**





**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

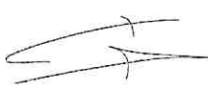
**Interim consolidated statement of financial position**  
**As at June 30, 2025**

|                                                                  | Notes | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|------------------------------------------------------------------|-------|--------------------------------------------|----------------------------------------------|
| <b>ASSETS</b>                                                    |       |                                            |                                              |
| <b>Non-current assets</b>                                        |       |                                            |                                              |
| Property and equipment                                           | 3     | 25,418                                     | 582                                          |
| Right-of-use assets                                              | 4     | 5,970                                      | 6,433                                        |
| Deferred tax assets                                              | 22    | 19,348                                     | 17,324                                       |
| Retentions receivable                                            | 5     | 7,708                                      | 7,386                                        |
|                                                                  |       | <u>58,444</u>                              | <u>31,725</u>                                |
| <b>Current assets</b>                                            |       |                                            |                                              |
| Trade and other receivables                                      | 5     | 133,607                                    | 108,481                                      |
| Contract assets                                                  | 18    | 26,292                                     | 14,718                                       |
| Due from a related party                                         | 6     | 53,578                                     | 53,247                                       |
| Financial assets at fair value through profit or loss            |       | 1,351                                      | 1,351                                        |
| Cash and bank balances                                           | 7     | 309,217                                    | 390,529                                      |
|                                                                  |       | <u>524,045</u>                             | <u>568,326</u>                               |
| Assets held for sale                                             | 25    | 47,022                                     | 46,975                                       |
|                                                                  |       | <u>571,067</u>                             | <u>615,301</u>                               |
| <b>TOTAL ASSETS</b>                                              |       | <u><b>629,511</b></u>                      | <u><b>647,026</b></u>                        |
| <b>EQUITY AND LIABILITIES</b>                                    |       |                                            |                                              |
| <b>Equity</b>                                                    |       |                                            |                                              |
| Share capital                                                    | 8     | 2,886,697                                  | 2,886,697                                    |
| Share discount                                                   |       | (1,357,284)                                | (1,356,204)                                  |
| Treasury shares                                                  | 9     | (1,172)                                    | (433)                                        |
| Statutory reserve                                                | 10    | -                                          | 479,454                                      |
| Mandatory convertible sukuk                                      | 11    | 370,470                                    | 368,130                                      |
| Foreign currency translation reserve                             |       | (23,708)                                   | (23,378)                                     |
| Accumulated losses                                               |       | (1,593,827)                                | (2,079,873)                                  |
| <b>Total equity attributable to equity holders of the Parent</b> |       | <u><b>281,176</b></u>                      | <u><b>274,393</b></u>                        |
| Non-controlling interest                                         | 12    | (122,818)                                  | (122,658)                                    |
| <b>Total equity</b>                                              |       | <u><b>158,358</b></u>                      | <u><b>151,735</b></u>                        |
| <b>Non-current liabilities</b>                                   |       |                                            |                                              |
| Employees' end of service benefits                               |       | 8,751                                      | 9,129                                        |
| Lease liabilities                                                | 14    | 4,799                                      | 5,164                                        |
|                                                                  |       | <u><b>13,550</b></u>                       | <u><b>14,293</b></u>                         |
| <b>Current liabilities</b>                                       |       |                                            |                                              |
| Provisions                                                       | 13    | 46,461                                     | 47,902                                       |
| Lease liabilities                                                | 14    | 1,290                                      | 1,323                                        |
| Bank borrowings                                                  | 15    | 10,155                                     | 8,732                                        |
| Trade and other payables                                         | 16    | 116,563                                    | 150,504                                      |
| Contract liabilities                                             | 18    | 45,916                                     | 36,093                                       |
| Income tax payable                                               |       | 3,817                                      | 3,202                                        |
|                                                                  |       | <u><b>224,202</b></u>                      | <u><b>247,756</b></u>                        |
| Liabilities directly associated with the assets held for sale    | 25    | 233,401                                    | 233,242                                      |
|                                                                  |       | <u><b>457,603</b></u>                      | <u><b>480,998</b></u>                        |
| <b>Total liabilities</b>                                         |       | <u><b>471,153</b></u>                      | <u><b>495,291</b></u>                        |
| <b>TOTAL EQUITY AND LIABILITIES</b>                              |       | <u><b>629,511</b></u>                      | <u><b>647,026</b></u>                        |

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



**Dr. Abdul Rahman  
Mahmoud Al Afifi**  
Director



**Ahmad M.F.A. Al Kilani**  
Director



**Muin El-Saleh**  
Chief Executive Officer



**Khalid Sukhon**  
Chief Financial Officer

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Drake and Scull International (P.J.S.C.) and its subsidiaries  
Interim Condensed Consolidated Financial Statements

Interim consolidated statement of profit or loss  
For the period ended June 30, 2025

|                                                                   | Three-month period<br>ended June 30, |                        | Six-month period<br>ended June 30, |                        |
|-------------------------------------------------------------------|--------------------------------------|------------------------|------------------------------------|------------------------|
|                                                                   | 2025                                 | 2024                   | 2025                               | 2024                   |
| Notes                                                             | (Unaudited)<br>AED'000               | (Unaudited)<br>AED'000 | (Unaudited)<br>AED'000             | (Unaudited)<br>AED'000 |
| <b>Continuing operations</b>                                      |                                      |                        |                                    |                        |
| Revenue from contract with customers                              | 18                                   | 47,533                 | 19,706                             | 77,902                 |
| Cost of revenue                                                   | 19                                   | (43,785)               | (18,618)                           | (71,965)               |
| <b>GROSS PROFIT</b>                                               |                                      | <b>3,748</b>           | <b>1,088</b>                       | <b>5,937</b>           |
| General and administrative expenses                               | 20                                   | (13,060)               | (12,599)                           | (24,508)               |
| Provisions                                                        |                                      | -                      | 2,445                              | -                      |
| Allowance for expected credit losses on trade receivables         | 5                                    | (975)                  | -                                  | (1,128)                |
| Restructuring costs                                               |                                      | (1,218)                | (17,871)                           | (2,524)                |
| (Loss)/gain resulting from approved restructuring settlement plan | 26                                   | (2,340)                | 3,760,080                          | (2,340)                |
| Other operating expenses                                          |                                      | -                      | (3,003)                            | -                      |
| Other income                                                      | 21                                   | 15,955                 | 93,049                             | 26,337                 |
| Finance income                                                    |                                      | 3,418                  | 2,484                              | 7,467                  |
| Finance cost                                                      |                                      | (289)                  | -                                  | (651)                  |
| <b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>               |                                      | <b>5,239</b>           | <b>3,825,673</b>                   | <b>8,590</b>           |
| Income tax expense                                                | 22                                   | (1,035)                | (9,639)                            | (1,932)                |
| <b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>           |                                      | <b>4,204</b>           | <b>3,816,034</b>                   | <b>6,658</b>           |
| <b>Discontinued operations</b>                                    |                                      |                        |                                    |                        |
| (Loss)/profit from discontinued operations                        | 25                                   | (125)                  | 20,227                             | (125)                  |
| <b>PROFIT FOR THE PERIOD</b>                                      |                                      | <b>4,079</b>           | <b>3,836,261</b>                   | <b>6,533</b>           |
| <b>Attributable to:</b>                                           |                                      |                        |                                    |                        |
| <b>Equity holders of the Parent:</b>                              |                                      |                        |                                    |                        |
| Profit from continuing operations                                 |                                      | 4,204                  | 3,816,034                          | 6,658                  |
| (Loss)/profit from discontinued operations                        |                                      | (66)                   | 16,550                             | (66)                   |
|                                                                   |                                      | <b>4,138</b>           | <b>3,832,584</b>                   | <b>6,592</b>           |
| <b>Non-controlling interest:</b>                                  |                                      |                        |                                    |                        |
| (Loss)/profit from discontinued operations                        |                                      | (59)                   | 3,677                              | (59)                   |
|                                                                   |                                      |                        |                                    | <b>3,804</b>           |

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

Drake and Scull International (P.J.S.C.) and its subsidiaries  
Interim Condensed Consolidated Financial Statements

Interim consolidated statement of profit or loss (continued)  
For the period ended June 30, 2025

|                                  | Notes | Three-month period<br>ended June 30, |                                | Six-month period<br>ended June 30, |                                |
|----------------------------------|-------|--------------------------------------|--------------------------------|------------------------------------|--------------------------------|
|                                  |       | 2025<br>(Unaudited)<br>AED'000       | 2024<br>(Unaudited)<br>AED'000 | 2025<br>(Unaudited)<br>AED'000     | 2024<br>(Unaudited)<br>AED'000 |
| Earnings per share:              |       |                                      |                                |                                    |                                |
| Basic earnings per share (AED)   | 23    | 0.001                                | 2.426                          | 0.002                              | 2.399                          |
| Diluted earnings per share (AED) | 23    | 0.001                                | 1.223                          | 0.001                              | 1.209                          |

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Interim consolidated statement of other comprehensive income**  
**For the period ended June 30, 2025**

|                                                                                    | <b>Three-month period<br/>ended June 30,</b> |                    | <b>Six-month period<br/>ended June 30,</b> |                    |
|------------------------------------------------------------------------------------|----------------------------------------------|--------------------|--------------------------------------------|--------------------|
|                                                                                    | <b>2025</b>                                  | <b>2024</b>        | <b>2025</b>                                | <b>2024</b>        |
|                                                                                    | <b>(Unaudited)</b>                           | <b>(Unaudited)</b> | <b>(Unaudited)</b>                         | <b>(Unaudited)</b> |
|                                                                                    | <b>AED'000</b>                               | <b>AED'000</b>     | <b>AED'000</b>                             | <b>AED'000</b>     |
| <b>PROFIT FOR THE PERIOD</b>                                                       | <b>4,079</b>                                 | <b>3,836,261</b>   | <b>6,533</b>                               | <b>3,793,798</b>   |
| <b>Other comprehensive income</b>                                                  |                                              |                    |                                            |                    |
| <i>Items that may be reclassified to profit or loss<br/>in subsequent periods:</i> |                                              |                    |                                            |                    |
| Exchange differences on translation of<br>continuing foreign operations            | <b>(714)</b>                                 | <b>(2,223)</b>     | <b>(330)</b>                               | <b>(1,201)</b>     |
| Exchange differences on translation of<br>discontinued foreign operations          | <b>106</b>                                   | <b>(2,373)</b>     | <b>(101)</b>                               | <b>686</b>         |
| Other comprehensive loss<br>for the period                                         | <b>(608)</b>                                 | <b>(4,596)</b>     | <b>(431)</b>                               | <b>(515)</b>       |
| <b>TOTAL COMPREHENSIVE<br/>INCOME FOR THE PERIOD</b>                               | <b>3,471</b>                                 | <b>3,831,665</b>   | <b>6,102</b>                               | <b>3,793,283</b>   |
| <b>Attributable to:</b>                                                            |                                              |                    |                                            |                    |
| Equity holders of the Parent                                                       | <b>3,424</b>                                 | <b>3,828,801</b>   | <b>6,262</b>                               | <b>3,788,793</b>   |
| Non-controlling interest                                                           | <b>47</b>                                    | <b>2,864</b>       | <b>(160)</b>                               | <b>4,490</b>       |
|                                                                                    | <b>3,471</b>                                 | <b>3,831,665</b>   | <b>6,102</b>                               | <b>3,793,283</b>   |

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.



**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Interim consolidated statement of changes in equity**  
**For the period ended June 30, 2025**

|                                                        | Attributable to equity holders of the Parent |                           |                            |                              |                                           |                                                    |                                     |                         |
|--------------------------------------------------------|----------------------------------------------|---------------------------|----------------------------|------------------------------|-------------------------------------------|----------------------------------------------------|-------------------------------------|-------------------------|
|                                                        | Share capital<br>AED'000                     | Share discount<br>AED'000 | Treasury shares<br>AED'000 | Statutory reserve<br>AED'000 | Mandatory convertible<br>Sukus<br>AED'000 | Foreign currency translation<br>reserve<br>AED'000 | Non-controlling interest<br>AED'000 | Total equity<br>AED'000 |
| At January 1, 2025 (audited)                           | 2,886,697                                    | (1,356,204)               | (433)                      | 479,454                      | 368,130                                   | (23,378)                                           | (122,658)                           | 151,735                 |
| Profit/(loss) for the period                           | -                                            | -                         | -                          | -                            | -                                         | -                                                  | (59)                                | 6,533                   |
| Other comprehensive loss for the period                | -                                            | -                         | -                          | -                            | -                                         | (330)                                              | (101)                               | (431)                   |
| Total comprehensive income/(loss) for the period       | -                                            | -                         | -                          | -                            | -                                         | (330)                                              | (160)                               | 6,102                   |
| Issuance of mandatory convertible sukus (Note 11 & 26) | -                                            | -                         | -                          | -                            | 2,340                                     | -                                                  | -                                   | 2,340                   |
| Absorption of accumulated losses (Note 10)             | -                                            | -                         | -                          | (479,454)                    | -                                         | -                                                  | -                                   | -                       |
| Treasury shares (Note 9)                               | -                                            | (1,080)                   | (739)                      | -                            | -                                         | -                                                  | -                                   | (1,819)                 |
| At June 30, 2025 (unaudited)                           | 2,886,697                                    | (1,357,284)               | (1,172)                    | -                            | 370,470                                   | (23,708)                                           | (122,818)                           | 158,358                 |

|                                                         | Attributable to equity holders of the Parent |               |                 |                   |                              |                                      |                    |             |                          |                            |
|---------------------------------------------------------|----------------------------------------------|---------------|-----------------|-------------------|------------------------------|--------------------------------------|--------------------|-------------|--------------------------|----------------------------|
|                                                         | Share capital                                | Share premium | Treasury shares | Statutory reserve | Mandatory convertible Sukuks | Foreign currency translation reserve | Accumulated losses | Total       | Non-controlling interest | Total deficiency of assets |
|                                                         | AED'000                                      | AED'000       | AED'000         | AED'000           | AED'000                      | AED'000                              | AED'000            | AED'000     | AED'000                  | 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                                   | -                                            | -             | -               | -                 | -                            | -                                    | 3,789,994          | 3,789,994   | 3,804                    | 3,793,798                  |
| Other comprehensive (loss)/income for the period        | -                                            | -             | -               | -                 | -                            | (1,201)                              | -                  | (1,201)     | 686                      | (515)                      |
| Total comprehensive (loss)/income for the period        | -                                            | -             | -               | -                 | -                            | (1,201)                              | 3,789,994          | 3,788,793   | 4,490                    | 3,793,283                  |
| Issuance of Mandatory convertible Sukuks (Note 11 & 26) | -                                            | -             | -               | -                 | 364,400                      | -                                    | -                  | 364,400     | -                        | 364,400                    |
| Treasury shares (Note 9)                                | -                                            | 4,342         | (381)           | -                 | -                            | -                                    | -                  | 3,961       | -                        | 3,961                      |
| Issuance of share capital (Note 8)                      | 1,815,709                                    | (1,361,782)   | -               | -                 | -                            | -                                    | -                  | 453,927     | -                        | 453,927                    |
| At June 30, 2024 (unaudited)                            | 2,886,697                                    | (1,354,414)   | (381)           | 125,760           | 364,400                      | (25,660)                             | (1,690,966)        | 305,436     | (121,968)                | 183,468                    |

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Interim consolidated statement of cash flows**  
**For the period ended June 30, 2025**

|                                    |    | Six-month period<br>ended June 30 |             |
|------------------------------------|----|-----------------------------------|-------------|
|                                    |    | 2025                              | 2024        |
|                                    |    | (Unaudited)                       | (Unaudited) |
|                                    |    | AED '000                          | AED '000    |
| Notes                              |    |                                   |             |
| <b>OPERATING ACTIVITIES</b>        |    |                                   |             |
|                                    |    | 8,590                             | 3,781,342   |
|                                    |    | (125)                             | 17,759      |
|                                    |    | 8,465                             | 3,799,101   |
| <i>Adjustments for:</i>            |    |                                   |             |
|                                    | 3  | 148                               | 127         |
|                                    | 4  | 632                               | 149         |
|                                    |    | -                                 | 883         |
|                                    | 21 | (23,085)                          | (53,324)    |
|                                    |    | 363                               | 322         |
|                                    |    | 651                               | 460         |
|                                    | 26 | 2,340                             | (3,760,080) |
|                                    | 5  | 1,128                             | -           |
|                                    |    | (7,467)                           | (2,637)     |
|                                    |    | (16,825)                          | (14,999)    |
| <i>Changes in working capital:</i> |    |                                   |             |
|                                    |    | (38,408)                          | (29,883)    |
|                                    |    | (331)                             | 5,617       |
|                                    |    | -                                 | 19,100      |
|                                    |    | (6,243)                           | 48,956      |
|                                    |    | (61,807)                          | 28,791      |
|                                    |    | (1,515)                           | -           |
|                                    |    | (103)                             | (239)       |
|                                    |    | (63,425)                          | 28,552      |
| <b>INVESTING ACTIVITIES</b>        |    |                                   |             |
|                                    | 3  | (25,846)                          | -           |
|                                    |    | 61,130                            | -           |
|                                    |    | 4,131                             | 2,637       |
|                                    |    | 39,415                            | 2,637       |
| <b>FINANCING ACTIVITIES</b>        |    |                                   |             |
|                                    |    | -                                 | 453,927     |
|                                    | 9  | (739)                             | -           |
|                                    | 14 | (749)                             | (415)       |
|                                    |    | (651)                             | -           |
|                                    |    | (2,139)                           | 453,512     |
|                                    |    | (26,149)                          | 484,701     |
|                                    |    | 1,244                             | 932         |
|                                    |    | -                                 | 378,106     |
|                                    |    | 171,555                           | (449,591)   |
|                                    | 7  | 146,650                           | 414,148     |

The accompanying notes from 1 to 26 form an integral part of these interim condensed consolidated financial statements.

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements**  
**For the period ended June 30, 2025**

**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, air conditioning, water & waste-water treatment works.

These interim condensed consolidated financial statements as at June 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 June 30, 2025 and December 31, 2024 are as follows:

| Component name                                                    | Principal activity                                                                   | Ownership (%) |                   | Country of incorporation    |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------|---------------|-------------------|-----------------------------|
|                                                                   |                                                                                      | June 30, 2025 | December 31, 2024 |                             |
| 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 & 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                     | Real estate development                                                              | 100%          | -                 | United Arab Emirates        |
| Drake and Scull Building Contracting L.L.C                        | 3D printing building construction contracting and building contracting               | 100%          | -                 | United Arab Emirates        |

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**1 Legal status and principal activities (continued)**

| Component name                                     | Principal activity                                                                                                                                                                                     | Ownership (%) |                   | Country of incorporation |
|----------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|-------------------|--------------------------|
|                                                    |                                                                                                                                                                                                        | June 30, 2025 | December 31, 2024 |                          |
| Passavant Energy and Environment Contracting L.L.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 25).

\* Passavant has the following subsidiaries:

| Component name                                           | Principal activity                        | Ownership (%) |                   | Country of incorporation |
|----------------------------------------------------------|-------------------------------------------|---------------|-------------------|--------------------------|
|                                                          |                                           | June 30, 2025 | December 31, 2024 |                          |
| 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                  |
| 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 Limited- British Virgin Islands    | Engineering, procurement and construction | 100%          | 100%              | Virgin Island (British)  |

As at June 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 Passavant-Roediger GmbH & Hussein Atieh Establishment Contracting & Constructions - *Jordan*
- JV of Larsen & Toubro - Passavant Energy & Environment – *India*

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

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**1 Legal status and principal activities (continued)**

*Joint Ventures (continued):*

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

Accounting policies, related adjustments, 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 June 30, 2025, the accumulated losses exceed 50% of the Company's share capital. Furthermore, for the six-month period ended June 30, 2025 the Group generated negative cash flows from operations of AED 61,807 thousand. Notwithstanding, these interim condensed consolidated financial statements of the Group 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 significant bank balance to service its operating activities and debt;



**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

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**2 Statement of compliance and material accounting policies (continued)**

**b) Going concern (continued)**

- 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 period covered by 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 June 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. 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 loses 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.

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

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**2 Statement of compliance and material accounting policies (continued)**

**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.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements; these should be read in conjunction with the Group's consolidated financial statements as at 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 six-month period ended June 30, 2025, the Group acquired property and equipment amounting to AED 25,846 thousand which mainly include plot of land located in Majan, Dubai (June 30, 2024: AED Nil).

Depreciation charge on property and equipment for the six-month period ended June 30, 2025 amounts to AED 148 thousand (June 30, 2024: AED 127 thousand).

**4 Right of use assets**

During the six-month period ended June 30, 2025 and June 30, 2024, the Group did not enter into lease agreement.

Depreciation charge on right of use assets for the six-month period ended June 30, 2025 amounts to AED 632 thousand (June 30, 2024: AED 149 thousand).

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**5 Trade and other receivables**

|                                                       | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|-------------------------------------------------------|--------------------------------------------|----------------------------------------------|
| <i>Financial assets at amortised cost:</i>            |                                            |                                              |
| Trade receivables, gross                              | 440,607                                    | 436,747                                      |
| Less: allowance for expected credit losses            | (424,333)                                  | (422,120)                                    |
| Trade receivables, net                                | 16,274                                     | 14,627                                       |
| Balance held with a third-party licensed Market Maker | 29,087                                     | 30,907                                       |
| Retentions receivable                                 | 9,451                                      | 11,156                                       |
| Accrued interest                                      | 3,336                                      | 2,163                                        |
| Dividend receivable                                   | 1,340                                      | -                                            |
| Other receivables                                     | 35,530                                     | 22,084                                       |
|                                                       | 95,018                                     | 80,937                                       |
| <i>Non-financial assets at amortised cost:</i>        |                                            |                                              |
| Prepayments                                           | 2,488                                      | 1,473                                        |
| Advance to suppliers                                  | 12,757                                     | 8,237                                        |
| VAT receivable                                        | 31,052                                     | 25,220                                       |
|                                                       | 141,315                                    | 115,867                                      |
| Less: non-current portion of retentions receivable    | (7,708)                                    | (7,386)                                      |
| Trade and other receivables - current                 | 133,607                                    | 108,481                                      |

During the period ended June 30, 2025, an allowance for expected credited losses of AED 1,128 thousand (June 30, 2024: AED Nil) was recorded in the interim consolidated statement of profit or loss. Furthermore, an impact resulting from foreign currency translation amounts to AED 1,085 thousand (June 30, 2024: AED 1,982 thousand).

**6 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:

**Related party transactions**

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

|                                   | Three-month period<br>ended June 30, |                                | Six-month period<br>ended June 30, |                                |
|-----------------------------------|--------------------------------------|--------------------------------|------------------------------------|--------------------------------|
|                                   | 2025<br>(Unaudited)<br>AED'000       | 2024<br>(Unaudited)<br>AED'000 | 2025<br>(Unaudited)<br>AED'000     | 2024<br>(Unaudited)<br>AED'000 |
| Campco Properties LLC – Associate |                                      |                                |                                    |                                |
| Salaries and other expense        | 188                                  | 128                            | 331                                | 301                            |

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**6 Related party balances and transactions (continued)**

**Compensation of key management personnel**

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

|                         | Three-month period<br>ended June 30, |                                | Six-month period<br>ended June 30, |                                |
|-------------------------|--------------------------------------|--------------------------------|------------------------------------|--------------------------------|
|                         | 2025<br>(Unaudited)<br>AED'000       | 2024<br>(Unaudited)<br>AED'000 | 2025<br>(Unaudited)<br>AED'000     | 2024<br>(Unaudited)<br>AED'000 |
| Short-term benefits     | 453                                  | 510                            | 1,899                              | 1,381                          |
| End of service benefits | 40                                   | 22                             | 77                                 | 56                             |
|                         | <b>493</b>                           | <b>532</b>                     | <b>1,976</b>                       | <b>1,437</b>                   |

**Due from a related party**

|                                            | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|--------------------------------------------|--------------------------------------------|----------------------------------------------|
| Campco Properties LLC – Associate          | 76,805                                     | 76,474                                       |
| Less: allowance for expected credit losses | (23,227)                                   | (23,227)                                     |
|                                            | <b>53,578</b>                              | <b>53,247</b>                                |

**7 Cash and cash equivalents**

|                                                                       | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|-----------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|
| Bank balances*                                                        | 324,290                                    | 405,502                                      |
| Cash in hand                                                          | 515                                        | 615                                          |
|                                                                       | <b>324,805</b>                             | <b>406,117</b>                               |
| Less: allowance for expected credit losses                            | (15,588)                                   | (15,588)                                     |
| <b>Cash and bank balances</b>                                         | <b>309,217</b>                             | <b>390,529</b>                               |
| Less: bank overdrafts (Note 15)                                       | (7,542)                                    | (6,420)                                      |
| Less: fixed deposits with original maturity of more than three months | (118,900)                                  | (180,030)                                    |
| Less: deposits under lien*                                            | (36,125)                                   | (32,524)                                     |
| <b>Cash and cash equivalents</b>                                      | <b>146,650</b>                             | <b>171,555</b>                               |

\*Bank balances include deposits under lien against bank guarantees amounting to AED 36,125 thousand (2024: AED 32,524 thousand) that carry an average interest ranging between 3% to 7.75% per annum (2024: 4.0% to 7.7% per annum).

**8 Share capital**

|                                                                                                                    | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|--------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------------------------------------|
| Authorised, issued and fully paid 2,886,697,023 shares of AED 1 each<br>(2024: 2,886,697,023 shares of AED 1 each) | <b>2,886,697</b>                           | <b>2,886,697</b>                             |

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**9 Treasury shares**

This represents the acquisition cost of the Company's shares traded by the Market Maker. As at June 30, 2025, the Market Maker held 3,795,013 (December 31, 2024: 1,226,412) of the Company's shares on behalf of the Company. As at June 30, 2025 and December 31, 2024 the Company also held a balance with the Market Maker to be utilised for the acquisition of treasury shares (Note 5).

**10 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 has obtained approval from the shareholders in its Annual General Meeting held on April 30, 2025.

**11 Mandatory Convertible Sukuks**

The Group issued 74,094 Mandatory Convertible Sukuks ("MCSs") 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. Therefore, any further issuance would dilute the holding percentage of existing MCSs holders.

**12 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 June 30, 2025, the NCI holds 49% (December 31, 2024: 49%).

**13 Provisions**

|                               | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|-------------------------------|--------------------------------------------|----------------------------------------------|
| Provision for legal cases     | 35,749                                     | 33,885                                       |
| Provision for bond encashment | 10,712                                     | 14,017                                       |
|                               | <u>46,461</u>                              | <u>47,902</u>                                |

**14 Lease liabilities**

During the six-month period ended June 30, 2025, the Group made payments amounting to AED 749 thousand (June 30, 2024: AED 415 thousand).

Interest charged on leases for the six-month period ended June 30, 2025 amounts to AED 158 thousand (June 30, 2024: AED 126 thousand).

**15 Bank borrowings**

|                          | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|--------------------------|--------------------------------------------|----------------------------------------------|
| Bank overdrafts (Note 7) | 7,542                                      | 6,420                                        |
| Bond encashment          | 2,613                                      | 2,312                                        |
|                          | <u>10,155</u>                              | <u>8,732</u>                                 |



**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**15 Bank borrowings (continued)**

Bank overdrafts carry interest rates ranging between 9% to 11% per annum (2024: 9% to 12% per annum). One of the overdraft facilities is secured against corporate guarantee from the Company amounting to Euro 4 million (2024: Euro 4 million).

**16 Trade and other payables**

|                                                     | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|-----------------------------------------------------|--------------------------------------------|----------------------------------------------|
| <i>Financial liabilities at amortised cost:</i>     |                                            |                                              |
| Trade payables                                      | 50,346                                     | 65,195                                       |
| Employee liabilities                                | 36,661                                     | 69,004                                       |
| Accrued expenses                                    | 23,806                                     | 10,546                                       |
|                                                     | <u>110,813</u>                             | <u>144,745</u>                               |
| <i>Non-financial liabilities at amortised cost:</i> |                                            |                                              |
| Withholding tax payable                             | 5,750                                      | 5,759                                        |
|                                                     | <u>116,563</u>                             | <u>150,504</u>                               |

**17 Contingencies and commitments**

|                       | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|-----------------------|--------------------------------------------|----------------------------------------------|
| <i>Contingencies:</i> |                                            |                                              |
| Letters of guarantee  | 277,072                                    | 281,182                                      |
| Performance bonds     | 240,401                                    | 261,500                                      |
|                       | <u>517,473</u>                             | <u>542,682</u>                               |
| <i>Commitments:</i>   |                                            |                                              |
| Letters of credit     | 5,915                                      | 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.

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**17 Contingencies and commitments (continued)**

**Taxation**

In the year 2024, the Group did not recognise income tax expense against the gain on write-back of liabilities recorded under approved restructuring settlement plan which was recognized in the consolidated statement of profit or loss for the year ended December 31, 2024. The treatment was based on the tax advice received from an independent tax expert and management's interpretation of the UAE Corporate Tax Law that such income does not attract tax under the UAE tax laws.

Notwithstanding, the assumption and tax advice the Management requested a private clarification from the Federal Tax Authority ("FTA") with regards to such tax treatment. On July 2, 2025 the Management received a response from the FTA for one of the three entities that underwent restructuring. Despite the similarity of the accounting treatments, the management is yet to receive clarifications for the remaining two entities as well.

Based on the clarification received from the FTA, the gain arising from the restructuring may be subject to corporate tax if certain conditions outlined in the clarification are not satisfied. The determination of the taxable gain is contingent upon the fair valuation of the restructured liabilities at the beginning of the first taxable period. Management is in the process of appointing an independent valuer to assess the fair value of the restructured liabilities, as well as engaging a tax advisor to incorporate the valuation into the computation of the taxable gain. Due to the uncertainty surrounding the measurement of the taxable gain and the outcome of the valuation engagement, no provision for taxation related to the restructured liabilities has been recognized in these interim condensed consolidated financial statements.

**18 Revenue from contract with customers**

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

|                                                 | Three-month period<br>ended June 30, |                                | Six-month period<br>ended June 30, |                                |
|-------------------------------------------------|--------------------------------------|--------------------------------|------------------------------------|--------------------------------|
|                                                 | 2025<br>(Unaudited)<br>AED'000       | 2024<br>(Unaudited)<br>AED'000 | 2025<br>(Unaudited)<br>AED'000     | 2024<br>(Unaudited)<br>AED'000 |
| <i>Type of revenue:</i>                         |                                      |                                |                                    |                                |
| Wastewater, water and sludge treatment projects | 47,277                               | 18,920                         | 77,646                             | 47,829                         |
| Contracting/plumbing services                   | 256                                  | 786                            | 256                                | 1,835                          |
|                                                 | <b>47,533</b>                        | <b>19,706</b>                  | <b>77,902</b>                      | <b>49,664</b>                  |
| <b>Geographical market</b>                      |                                      |                                |                                    |                                |
| India                                           | 25,838                               | 7,413                          | 48,371                             | 30,228                         |
| Tunisia                                         | 9,672                                | 2,277                          | 14,070                             | 5,997                          |
| Romania                                         | 6,992                                | 7,635                          | 8,750                              | 9,084                          |
| Jordan                                          | 2,345                                | 1,196                          | 3,558                              | 1,798                          |
| Kingdom of Saudi Arabia                         | 1,103                                | 394                            | 1,369                              | 705                            |
| United Arab Emirates                            | 256                                  | 786                            | 256                                | 1,835                          |
| Others                                          | 1,327                                | 5                              | 1,528                              | 17                             |
|                                                 | <b>47,533</b>                        | <b>19,706</b>                  | <b>77,902</b>                      | <b>49,664</b>                  |

All the Group's revenue is recognised over time.

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**18 Revenue from contract with customers (continued)**

**Contract balances**

|                                  | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|----------------------------------|--------------------------------------------|----------------------------------------------|
| Retentions receivable (Note 5)   | 9,451                                      | 11,156                                       |
| Trade receivable, net (Note 5)   | 16,274                                     | 14,627                                       |
| Contract assets, net (see below) | 26,292                                     | 14,718                                       |
| Contract liabilities (see below) | (45,916)                                   | (36,093)                                     |

**Contract assets**

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

|                                            | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|--------------------------------------------|--------------------------------------------|----------------------------------------------|
| Amount due from contracts with customers   | 190,825                                    | 188,022                                      |
| Less: allowance for expected credit losses | (164,533)                                  | (173,304)                                    |
|                                            | 26,292                                     | 14,718                                       |

**Contract liabilities**

|                                    | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|------------------------------------|--------------------------------------------|----------------------------------------------|
| Due to customers for contract work | 35,411                                     | 22,466                                       |
| Short-term customer advances       | 10,505                                     | 13,627                                       |
|                                    | 45,916                                     | 36,093                                       |

**19 Cost of revenue**

|                                                    | Three-month period<br>ended June 30, |                                | Six-month period<br>ended June 30, |                                |
|----------------------------------------------------|--------------------------------------|--------------------------------|------------------------------------|--------------------------------|
|                                                    | 2025<br>(Unaudited)<br>AED'000       | 2024<br>(Unaudited)<br>AED'000 | 2025<br>(Unaudited)<br>AED'000     | 2024<br>(Unaudited)<br>AED'000 |
| Material costs                                     | 26,414                               | 5,622                          | 47,182                             | 19,707                         |
| Sub-contracting costs                              | 12,300                               | 9,102                          | 16,380                             | 17,673                         |
| Labour and staff cost                              | 2,629                                | 3,150                          | 4,495                              | 6,417                          |
| Depreciation of property and<br>equipment (Note 3) | 14                                   | 22                             | 32                                 | 45                             |
| Other costs                                        | 2,428                                | 722                            | 3,876                              | 2,128                          |
|                                                    | 43,785                               | 18,618                         | 71,965                             | 45,970                         |

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**20 General and administrative expenses**

|                                                    | Three-month period<br>ended June 30, |               | Six-month period<br>ended June 30, |               |
|----------------------------------------------------|--------------------------------------|---------------|------------------------------------|---------------|
|                                                    | 2025                                 | 2024          | 2025                               | 2024          |
|                                                    | (Unaudited)                          | (Unaudited)   | (Unaudited)                        | (Unaudited)   |
|                                                    | AED'000                              | AED'000       | AED'000                            | AED'000       |
| Salaries and other employee benefits               | 5,742                                | 4,258         | 12,903                             | 9,721         |
| Legal and professional fees                        | 2,239                                | 4,687         | 4,165                              | 5,355         |
| Directors' fee                                     | 2,450                                | -             | 2,450                              | -             |
| Business development                               | 88                                   | 609           | 806                                | 777           |
| Office expenses                                    | 545                                  | 190           | 795                                | 425           |
| Depreciation of right-of-use assets                | 397                                  | 82            | 632                                | 149           |
| IT related expenses                                | 192                                  | 3             | 356                                | 6             |
| Short-term leases                                  | 106                                  | 428           | 244                                | 889           |
| Business travel                                    | 106                                  | 74            | 141                                | 151           |
| Transportation                                     | 53                                   | 88            | 128                                | 123           |
| Depreciation of property and<br>equipment (Note 3) | 66                                   | 43            | 116                                | 82            |
| Bank charges                                       | 56                                   | 68            | 56                                 | 68            |
| Others                                             | 1,020                                | 2,069         | 1,716                              | 3,480         |
|                                                    | <b>13,060</b>                        | <b>12,599</b> | <b>24,508</b>                      | <b>21,226</b> |

**21 Other income**

|                                                                         | Three-month period<br>ended June 30, |               | Six-month period<br>ended June 30, |               |
|-------------------------------------------------------------------------|--------------------------------------|---------------|------------------------------------|---------------|
|                                                                         | 2025                                 | 2024          | 2025                               | 2024          |
|                                                                         | (Unaudited)                          | (Unaudited)   | (Unaudited)                        | (Unaudited)   |
|                                                                         | AED'000                              | AED'000       | AED'000                            | AED'000       |
| Liabilities written-back*                                               | 12,090                               | 2,770         | 22,110                             | 2,867         |
| Dividend income                                                         | 1,340                                | -             | 1,340                              | -             |
| Rental income                                                           | 333                                  | 302           | 661                                | 543           |
| Write-back of provision for<br>legal cases                              | -                                    | 27,273        | -                                  | 27,273        |
| Accrued interest written-back                                           | -                                    | 38,398        | -                                  | -             |
| Write-back of provision related to<br>a subsidiary with loss of control | -                                    | 13,673        | -                                  | 13,673        |
| Reversal of provision related<br>to disposal groups                     | -                                    | 9,511         | -                                  | 9,511         |
| Recovery of receivables written off<br>in prior periods                 | -                                    | -             | -                                  | 1,854         |
| Others                                                                  | 2,192                                | 1,122         | 2,226                              | 1,210         |
|                                                                         | <b>15,955</b>                        | <b>93,049</b> | <b>26,337</b>                      | <b>56,931</b> |

\*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.

**22 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.

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**22 Income tax (continued)**

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

|                                                      | Three-month period<br>ended June 30, |                | Six-month period<br>ended June 30, |                |
|------------------------------------------------------|--------------------------------------|----------------|------------------------------------|----------------|
|                                                      | 2025                                 | 2024           | 2025                               | 2024           |
|                                                      | (Unaudited)                          | (Unaudited)    | (Unaudited)                        | (Unaudited)    |
|                                                      | AED'000                              | AED'000        | AED'000                            | AED'000        |
| <i>Current income tax</i>                            |                                      |                |                                    |                |
| Current income tax charge                            | (1,035)                              | (5,270)        | (1,932)                            | (5,303)        |
| <i>Deferred tax</i>                                  |                                      |                |                                    |                |
| Relating to origination of temporary differences     | -                                    | (4,369)        | -                                  | -              |
| <b>Income tax expense reported in profit or loss</b> | <b>(1,035)</b>                       | <b>(9,639)</b> | <b>(1,932)</b>                     | <b>(5,303)</b> |

**Deferred tax**

The deferred tax relates to brought forward losses of Passavant which are available indefinitely to be offset against future taxable profit and temporary timing difference resulting from provisions and expected credit losses of the UAE entities.

**23 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 after adjusting for interest on the Mandatory Convertible Sukuks 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<br>June 30, |                  | Six-month period<br>ended June 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                                                                              | 4,204                                | 3,816,034        | 6,658                              | 3,776,039        |
| Discontinued operations                                                                            | (66)                                 | 16,550           | (66)                               | 13,955           |
| <b>Profit attributable to ordinary equity holders of the Parent for basic and diluted earnings</b> | <b>4,138</b>                         | <b>3,832,584</b> | <b>6,592</b>                       | <b>3,789,994</b> |
| Weighted average number of ordinary shares for basic EPS                                           | 2,874,665                            | 1,579,785        | 2,874,665                          | 1,579,785        |
| 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               | 4,429,040                            | 3,134,160        | 4,429,040                          | 3,134,160        |
| <b>Earnings per share:</b>                                                                         |                                      |                  |                                    |                  |
| <b>Basic earnings per share</b>                                                                    |                                      |                  |                                    |                  |
| From continuing operations                                                                         | 0.001                                | 2.416            | 0.002                              | 2.390            |
| From discontinued operations                                                                       | -                                    | 0.010            | -                                  | 0.009            |
|                                                                                                    | 0.001                                | 2.426            | 0.002                              | 2.399            |



**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**23 Earnings per share (continued)**

|                                   | Three-month period ended |              | Six-month period |              |
|-----------------------------------|--------------------------|--------------|------------------|--------------|
|                                   | June 30,                 |              | ended June 30,   |              |
|                                   | 2025                     | 2024         | 2025             | 2024         |
|                                   | (Unaudited)              | (Unaudited)  | (Unaudited)      | (Unaudited)  |
|                                   | AED'000                  | AED'000      | AED'000          | AED'000      |
| <b>Diluted earnings per share</b> |                          |              |                  |              |
| - From continuing operations      | 0.001                    | 1.218        | 0.001            | 1.205        |
| - From discontinued operations    | -                        | 0.005        | -                | 0.004        |
| <b>Diluted earnings per share</b> | <b>0.001</b>             | <b>1.223</b> | <b>0.001</b>     | <b>1.209</b> |

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

**24 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.

Drake and Scull International (P.J.S.C.) and its subsidiaries  
Interim Condensed Consolidated Financial Statements

Notes to the interim condensed consolidated financial statements (continued)  
For the period ended June 30, 2025

**24 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 (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 six-month period to June 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 June 30 is as follows:

|                                                                      | 2025 (Unaudited)                                          |                |                      |                  | 2024 (Unaudited)                                          |                |                      |                  |
|----------------------------------------------------------------------|-----------------------------------------------------------|----------------|----------------------|------------------|-----------------------------------------------------------|----------------|----------------------|------------------|
|                                                                      | Wastewater<br>treatment<br>and water<br>sludge<br>AED'000 | MEP<br>AED'000 | Corporate<br>AED'000 | Total<br>AED'000 | Wastewater<br>treatment<br>and water<br>sludge<br>AED'000 | MEP<br>AED'000 | Corporate<br>AED'000 | Total<br>AED'000 |
| Revenue                                                              |                                                           |                |                      |                  |                                                           |                |                      |                  |
| External customers                                                   | 77,646                                                    | 256            | -                    | 77,902           | 47,829                                                    | 1,835          | -                    | 49,664           |
| Income / (expense)                                                   |                                                           |                |                      |                  |                                                           |                |                      |                  |
| Sub-contracting cost                                                 | (16,380)                                                  | -              | -                    | (16,380)         | (17,673)                                                  | -              | -                    | (17,673)         |
| Material costs                                                       | (47,182)                                                  | -              | -                    | (47,182)         | (19,707)                                                  | -              | -                    | (19,707)         |
| Other direct costs                                                   | (8,184)                                                   | (219)          | -                    | (8,403)          | (6,795)                                                   | (1,795)        | -                    | (8,590)          |
| General and administrative expenses                                  | (8,600)                                                   | (3,775)        | (12,133)             | (24,508)         | (7,033)                                                   | (2,909)        | (11,284)             | (21,226)         |
| Restructuring costs                                                  | -                                                         | -              | (2,524)              | (2,524)          | -                                                         | -              | (19,431)             | (19,431)         |
| Provisions                                                           | -                                                         | -              | -                    | -                | -                                                         | -              | (883)                | (883)            |
| Expected credit losses                                               | -                                                         | (1,128)        | -                    | (1,128)          | -                                                         | -              | -                    | -                |
| (Loss)/gain resulting from approved<br>restructuring settlement plan | -                                                         | (385)          | (1,955)              | (2,340)          | -                                                         | 537,505        | 3,222,575            | 3,760,080        |
| Other income                                                         | 46                                                        | 17,432         | 8,859                | 26,337           | 126                                                       | 2,827          | 53,978               | 56,931           |
| Finance income                                                       | 394                                                       | -              | 7,073                | 7,467            | 382                                                       | -              | 2,255                | 2,637            |
| Finance cost                                                         | (526)                                                     | (50)           | (75)                 | (651)            | (404)                                                     | 274            | (330)                | (460)            |
| Segment profit before tax                                            | (2,786)                                                   | 12,131         | (755)                | 8,590            | (3,275)                                                   | 537,737        | 3,246,880            | 3,781,342        |

**Drake and Scull International (P.J.S.C.) and its subsidiaries**  
**Interim Condensed Consolidated Financial Statements**

**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**24 Segment reporting (continued)**

|                                                    | Wastewater<br>treatment<br>and water<br>sludge<br>AED'000 | MEP<br>AED'000 | Corporate<br>AED'000 | Elimination<br>AED'000 | Total<br>AED'000 |
|----------------------------------------------------|-----------------------------------------------------------|----------------|----------------------|------------------------|------------------|
| <b>As at June 30, 2025</b><br><i>(Unaudited)</i>   |                                                           |                |                      |                        |                  |
| Total assets                                       | 190,922                                                   | 329,858        | 929,925              | (821,194)              | 629,511          |
| Total liabilities                                  | 179,330                                                   | 233,967        | 469,142              | (411,286)              | 471,153          |
| <b>As at December 31, 2024</b><br><i>(Audited)</i> |                                                           |                |                      |                        |                  |
| Total assets                                       | 163,902                                                   | 335,799        | 952,495              | (805,170)              | 647,026          |
| Total liabilities                                  | 148,271                                                   | 233,795        | 505,396              | (392,171)              | 495,291          |

**25 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
- Misr Sons Development S.A.E

*Kuwait*

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

*People's Democratic Republic of Algeria*

- Drake & Scull Construction LLC - Algeria (DSC Algeria)
- Drake & Scull Engineering - Algeria (DSE Algeria)

*Hashemite Kingdom of Jordan*

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

*Thailand*

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

*Syrian Arab Republic*

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

*Kingdom of Saudi Arabia*

- DSWP - Saudi Arabia (DSWP KSA)
- Orient Corner Contracting Company
- International Center for Contracting
- Drake & Scull International LLC (Branch)

*Qatar*

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

*State of Libya*

- DS International FOR General Contracting

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**Notes to the interim condensed consolidated financial statements (continued)**  
**For the period ended June 30, 2025**

**25 Discontinued operations (continued)**

*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
- Drake & Scull International Construction Company LLC

**Drake & Scull Construction LLC, Algeria and Drake & Scull Engineering Algeria**

On July 20, 2023, Drake & Scull Construction LLC, 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 Drake & Scull Construction LLC Algeria umbrella, was not able to continue its operations in Algeria.

As the contract with Emiral is the only business in Algeria for Drake & Scull Construction LLC, 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.

**Financial information of discontinued operations:**

The results of the discontinued operations are presented below:

|                                            | Three-month period<br>ended June 30, |                                | Six-month period<br>ended June 30, |                                |
|--------------------------------------------|--------------------------------------|--------------------------------|------------------------------------|--------------------------------|
|                                            | 2025<br>(Unaudited)<br>AED’000       | 2024<br>(Unaudited)<br>AED’000 | 2025<br>(Unaudited)<br>AED’000     | 2024<br>(Unaudited)<br>AED’000 |
| <b>Statement of comprehensive income</b>   |                                      |                                |                                    |                                |
| Other income                               | -                                    | 20,227                         | -                                  | 19,626                         |
| General and administrative expenses        | (125)                                | -                              | (125)                              | (1,867)                        |
| <b>Profit from discontinued operations</b> | <b>(125)</b>                         | <b>20,227</b>                  | <b>(125)</b>                       | <b>17,759</b>                  |

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**For the period ended June 30, 2025**

**25 Discontinued operations (continued)**

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

|                             | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|-----------------------------|--------------------------------------------|----------------------------------------------|
| <i>Assets:</i>              |                                            |                                              |
| Property and equipment      | 30                                         | 30                                           |
| Trade and other receivables | 45,125                                     | 45,091                                       |
| Cash and bank balances      | 1,867                                      | 1,854                                        |
|                             | <u>47,022</u>                              | <u>46,975</u>                                |
|                             |                                            |                                              |
|                             | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
| <i>Liabilities:</i>         |                                            |                                              |
| Trade and other payables    | 137,905                                    | 138,000                                      |
| Bank borrowings             | 95,496                                     | 95,242                                       |
|                             | <u>233,401</u>                             | <u>233,242</u>                               |

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

|                                                                 | June 30,<br>2025<br>(Unaudited)<br>AED'000 | December 31,<br>2024<br>(Audited)<br>AED'000 |
|-----------------------------------------------------------------|--------------------------------------------|----------------------------------------------|
| Cash and bank balances                                          | 1,867                                      | 1,854                                        |
| Less: bank overdrafts                                           | (95,496)                                   | (95,242)                                     |
| Bank overdrafts related to discontinued operations, net of cash | <u>(93,629)</u>                            | <u>(93,388)</u>                              |

**26 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.

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 June 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.