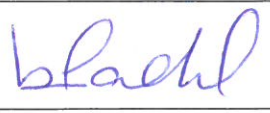


Detailed Analysis of Accumulated Losses

Date:	11 November 2024
Name of the Listed Company:	Drake & Scull International PJSC
Define the period of the financial statements:	30 September 2024
Value of the Accumulated losses 'AED 000':	1,674,515
Accumulated losses to paid-up capital ratio (%):	58%
The main reasons for accumulated losses and the period in which these losses began. (Determine the period in which these losses began to appear in the company's financial statements):	The accumulated losses incurred mainly due to the following: 1. Work in progress and contract receivables in legacy projects in GCC and India. 2. Full impairment of Goodwill and Trademark as at December 31, 2018. 3. Because of poor performance on legacy projects whereby the actual costs of completing projects were more than the budgets in addition to liquidating bonds. 4. Bank bans and court orders. The losses began to appear in the company's financial statements in Q3 2015 financial statements published on DFM.
Summary of the steps and initiatives undertaken by the company to address the accumulated losses:	1. Implementation of restructuring business plan. 2. Improvement of the liquidity position after raising the new equity. 3. Developing effective and efficient operational business practices. 4. Pursue legal cases to collect all receivables. 5. Controlling the overhead at the optimal level.

The date on which the company's general assembly approved the plan for dealing with accumulated losses:	The restructuring settlement plan approved by Dubai Court of Appeal on 1 November 2023.
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The Measures that will be taken to deal with the accumulated losses and the approved plan				
Actions	The time frame for implementing the action according to the approved plan	The implemented action and the percentage of implementation	Reasons for not implementing the action or delaying	Any modifications or changes made to the action
Winning new profitable projects	1 Year	The restructuring process was completed on 3 June 2024 and this action is currently in progress.	The late completion of the restructuring process led to major delay in unlocking the bank accounts and obtaining bank guarantees for new projects.	No
Recovery of receivables previously fully provided for.	1 Year	Started at early stage before closing the restructuring process. It is a continuous process and enhanced after closing the restructuring process.	The legal status of the group before closing the restructuring process was the main reason behind the delay.	No
Collections from legal cases	Subject to local courts time lines	Started at early stage before closing the restructuring process. The group already disclosed on DFM the status of some legal cases.	The previous liquidity crunch of the group led to major delay in closing the legal cases in favor of the company.	No

The Name of the Authorized Signatory	Fadi Baraki
Designation	Chief Financial Officer
Signature and Date	11 November 2024 
Company's Seal	 5-a دريك أند سكل انترناشيونال ش.م.ع. Drake & Scull International P.JSC P.O. Box: 65794, DUBAI, U.A.E.