شركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك (عامة)

Heavy Engineering Industries & Shipbuilding Co. K.S.C (Public)

HEISCO

Date: 12th August 2026

Reference: CM/AR/073/2026

To: Boursa Kuwait

Greetings,

Subject: Board of Directors Meeting Results:

We would like to inform you that the Board of Directors held its meeting today, Wednesday, August 12, 2026, during which it discussed the items on the agenda and issued the following resolutions:

1. Approval of the Interim Condensed Consolidated Financial Information (Unaudited) and Independent Auditor's Review Report of Heavy Engineering Industries and Shipbuilding Co. K.S.C.P (Ship-506) & its subsidiaries for the second quarter ended 30 June 2026.

The Analyst/ Investor conference will take place on Thursday 13 August 2026 at 2:00 pm Kuwait local time, via live internet broadcast. All interested parties may communicate with HEISCO to obtain invitation & access details through email (investorsaffairs@heisco.com)

Financial Results Form in addition to Annual Consolidated Financial Statements & External Auditors Report for the period ending 30 June 2026 is attached.

التاريخ : 12 أغسطس 2026

إشارة : CM/AR/073/2026

السادة / شركة بورصة الكويت المحترمين

تحية طيبة وبعد،،،

الموضوع: نتائج إجتماع مجلس الإدارة :

يرجى التفضل بالعلم بأن مجلس إدارة الشركة قد عقد إجتماعه اليوم الأربعاء المُوافق 12 أغسطس 2026، حيث ناقش الموضوعات المُدرجة على جدول الأعمال وأصدر القرارات التالية:

1- إعتماد المعلومات المالية المرحلية المكثفة المجمعة (غير مدققة) وتقرير مراجعة مراقب الحسابات المُستقل لشركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك.ع وشركاتها التابعة عن الربع الثاني للفترة المنتهية في 30 يونيو 2026.

وقد تقرر عقد مؤتمر المحللين / المستثمرين عن طريق البث المباشر على شبكة الإنترنت في تمام الساعة الثانية ظهراً يوم الخميس الموافق 13 أغسطس 2026 وفق التوقيت المحلي لدولة الكويت، ويمكن للأطراف المهتمة التواصل مع الشركة للحصول على الدعوة وعلى تفاصيل المشاركة في المؤتمر من خلال البريد الإلكتروني (investorsaffairs@heisco.com)

مرفق نموذج نتائج البيانات المالية بالإضافة إلى البيانات المالية المُجمعة وتقرير مراقب الحسابات عن الفترة المنتهية في 30 يونيو 2026 .

وتفضلوا بقبول وافر الإحترام والتقدير،،،

Yours Sincerely

HEISCO

مرزوق ناصر الخرافي

رئيس مجلس الإدارة

Marzouk Naser Al-Kharafi

Chairman

Financial Results Form Kuwaiti Company (KWD)	نموذج نتائج البيانات المالية الشركات الكويتية (د.ك.)

Company Name	اسم الشركة
Heavy Engineering Industrial &Shipbuilding co K.S.C.P	شركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك.ع

Second quarter results Ended on	2026-06-30	نتائج الربع الثاني المنتهي في
Board of Directors Meeting Date	2026-08-12	تاريخ اجتماع مجلس الإدارة

Required Documents	المستندات الواجب إرفاقها بالنموذج
Approved financial statements. Approved auditor's report This form shall not be deemed to be complete unless the documents mentioned above are provided	نسخة من البيانات المالية المعتمدة نسخة من تقرير مراقب الحسابات المعتمد لا يعتبر هذا النموذج مكتملاً ما لم يتم وإرفاق هذه المستندات

التغيير (%) Change (%)	فترة الستة اشهر المقارنة Six Month Comparative Period	فترة الستة اشهر الحالية Six Month Current Perio	البيان Statement
	2025-06-30	2026-06-30	
% (40.02)	3,958,553	2,374,301	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
% (45.45)	21.96	11.98	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
% 40.07	128,655,831	180,205,168	الموجودات المتداولة Current Assets
% 25.11	213,820,753	267,505,981	إجمالي الموجودات Total Assets
% 37.46	114,705,539	157,669,104	المطلوبات المتداولة Current Liabilities
% 35.75	138,552,542	188,081,821	إجمالي المطلوبات Total Liabilities
% 5.52	75,262,562	79,418,394	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
% 4.63	94,021,407	98,377,618	إجمالي الإيرادات التشغيلية Total Operating Revenue
% (27.31)	8,079,425	5,873,140	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
	لا توجد خسائر متراكمة No Accumulated Loss	لا توجد خسائر متراكمة No Accumulated Loss	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

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Email : heisco@heisco.com Commercial Reg. No : 20735
Issued and Paid-Up Capital : KD 19,826,566.800 Authorized Capital : KD 22,000,000
www.heisco.com

التغيير (%) Change (%)	الربع الثاني المقارن Second quarter Comparative Period 2025-06-30	الربع الثاني الحالي Second quarter Current Period 2026-06-30	البيان Statement
% (45.92)	2,346,819	1,269,056	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
% (50.84)	13.02	6.40	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
% 17.27	46,906,924	55,008,341	إجمالي الإيرادات التشغيلية Total Operating Revenue
% (10.71)	4,110,246	3,670,204	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

- Not Applicable for first Quarter
- لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
The decrease in net profit is attributed to the following: • Disruption in the execution rates of certain projects due to current geopolitical situation in the region." • Difficulty in supplying materials and equipment to projects within the specified deadlines." • Ggeneral escalation in material, supplies prices, shipping, insurance costs." • Delays in mobilization of required project labor from abroad, deviating from the approved schedule."	يرجع سبب إنخفاض صافي الربح الى التالي: • أضطراب معدلات تنفيذ بعض المشاريع نتيجة للأوضاع الجيوسياسية في المنطقة. • صعوبة توريد المواد والمعدات الخاصة بالمشاريع بالمواعيد المحددة. • إرتفاع أسعار المواد والتوريدات وتكاليف الشحن والتأمين بشكل عام. • التأخر في وصول العمالة اللازمة للمشاريع من خارج البلاد عن الجدول الزمني المعتمد.

Total Revenue realized from dealing with related parties (value, KWD)	–	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)

Total Expenditures incurred from dealing with related parties (value, KWD)	683,794	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)

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Auditor Opinion				رأي مراقب الحسابات	
1.	Unqualified Opinion	☒		رأي غير متحفظ	.1
2.	Qualified Opinion	☐		رأي متحفظ	.2
3.	Disclaimer of Opinion	☐		عدم إبداء الرأي	.3
4.	Adverse Opinion	☐		رأي معاكس	.4

In the event of selecting item No. 2, 3 or 4, the following table must be filled out, and this form is not considered complete unless it is filled.

بحال اختيار بند رقم 2 أو 3 أو 4 يجب تعبئة الجدول التالي، ولا يعتبر هذا النموذج مكتملاً ما لم يتم تعبئته

-	نص رأي مراقب الحسابات كما ورد في التقرير
-	شرح تفصيلي بالحالة التي استدعت مراقب الحسابات لإبداء الرأي
-	الخطوات التي ستقوم بها الشركة لمعالجة ما ورد في رأي مراقب الحسابات
-	الجدول الزمني لتنفيذ الخطوات لمعالجة ما ورد في رأي مراقب الحسابات

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Corporate Actions				استحقاقات الأسهم (الإجراءات المؤسسية)
النسبة	القيمة			
-	None / لا يوجد			توزيعات نقدية Cash Dividends
-	None / لا يوجد			توزيعات أسهم منحة Bonus Share
-	None / لا يوجد			توزيعات أخرى Other Dividend
-	None / لا يوجد			عدم توزيع أرباح No Dividends
	None / لا يوجد	علاوة الإصدار Issue Premium	None / لا يوجد	زيادة رأس المال Capital Increase
-	None / لا يوجد			Capital Decrease

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
		رئيس مجلس الإدارة	مرزوق ناصر محمد الخرافي

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Heavy Engineering Industries and Shipbuilding Company K.S.C.P
Kuwait

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE BOARD OF DIRECTORS

Report on Review of Interim Condensed Consolidated Financial Information

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Heavy Engineering Industries and Shipbuilding Company K.S.C.P (the "Parent Company") and its subsidiaries (together referred to as "the Group") as at 30 June 2026 and the related interim condensed consolidated statements of income and comprehensive income for three-months and six-months periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the six-month period then ended. Management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard 34 - Interim Financial Reporting. Our responsibility is to express a conclusion on this interim condensed consolidated financial information 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 financial information 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 - Interim Financial Reporting.

Report on Other Legal and Regulatory Requirements

Furthermore, based on our review, the accompanying interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any material violations of the Companies Law No. 1 of 2016, and its executive regulations, as amended, or of the Memorandum of Incorporation and Articles of Association, as amended, of the Parent Company during the six-months period ended 30 June 2026, that might have had a material effect on the business of the Group or on its consolidated financial position.

We further report that, during the course of our review, to the best of our knowledge and belief, we have not become aware of any violations of the provisions of Law No 7 of 2010, as amended, concerning the Capital Markets Authority and its related regulations during the six-months period ended 30 June 2026 that might have had a material effect on the business of the Parent Company or on its consolidated financial position.

Talal Y. Al-Muzaini
Licence No. 209A
Deloitte & Touche - Al-Wazzan & Co.

Kuwait
12 August 2026

Heavy Engineering Industries and Shipbuilding Company K.S.C.P
and its subsidiaries

Interim Condensed Consolidated Statement of Financial Position (Unaudited) - as at 30 June 2026

	Note	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
		Kuwaiti Dinars		
Assets				
Non-current assets				
Right-of-use asset		2,440,480	2,856,690	3,237,624
Property, plant and equipment	3	79,551,770	78,554,936	78,202,260
Investment securities		2,088,189	1,776,673	1,653,437
Trade and other receivables	4	3,220,374	2,881,928	2,071,601
		87,300,813	86,070,227	85,164,922
Current assets				
Inventories		28,138,980	23,698,547	18,055,231
Contract assets		94,421,081	59,654,127	55,205,132
Trade and other receivables	4	52,556,639	65,560,731	48,353,582
Cash and bank balances	5	5,088,468	4,306,255	7,041,886
		180,205,168	153,219,660	128,655,831
Total assets		267,505,981	239,289,887	213,820,753
Equity and liabilities				
Equity				
Share capital		19,826,567	18,024,152	18,024,152
Statutory reserve		10,946,089	10,946,089	10,946,089
General reserve		12,789,976	12,789,976	11,739,170
Foreign currency translation reserve		(8,560)	(42,383)	(514)
Treasury shares reserve		(395)	(276)	-
Investment fair valuation reserve		941,396	629,880	506,643
Retained earnings		34,923,321	38,857,404	34,047,022
		79,418,394	81,204,842	75,262,562
Non-controlling interests		5,766	5,562	5,649
Total Equity		79,424,160	81,210,404	75,268,211
Non-current liabilities				
Post employment benefits		23,063,800	21,427,061	19,752,512
Lease liabilities		1,024,290	1,930,979	1,807,754
Due to banks	7	5,470,000	4,322,500	1,300,000
Trade and other payables	8	854,627	854,932	986,737
		30,412,717	28,535,472	23,847,003
Current liabilities				
Lease liabilities		848,504	848,504	848,504
Contract liabilities		243,196	474,434	517,193
Due to banks	7	64,981,306	44,871,332	38,128,709
Trade and other payables	8	91,596,098	83,349,741	75,211,133
		157,669,104	129,544,011	114,705,539
Total liabilities		188,081,821	158,079,483	138,552,542
Total equity and liabilities		267,505,981	239,289,887	213,820,753

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Marzouq Nasser Mohammed Al-Kharafi
Chairman

Samir Sami Hermez
Chief Executive Officer

Heavy Engineering Industries and Shipbuilding Company K.S.C.P
and its subsidiaries

Interim Condensed Consolidated Statement of Income (Unaudited) -
Three months and six months ended 30 June 2026

		Kuwaiti Dinars			
		Three months ended 30 June		**Six months ended 30 June**	
	Note	**2026 (Unaudited)**	**2025 (Unaudited)**	**2026 (Unaudited)**	**2025 (Unaudited)**
Revenue	9	55,008,341	46,906,924	98,377,618	94,021,407
Cost of sales	10	(51,338,137)	(42,796,678)	(92,504,478)	(85,941,982)
Gross profit		3,670,204	4,110,246	5,873,140	8,079,425
Other operating income	11	119,136	17,308	1,322,279	126,093
General and administration expenses		(1,572,867)	(1,442,307)	(3,283,749)	(2,896,524)
Investment income (net of management fee)		(625)	85,066	(1,188)	84,569
Expected credit loss on financial assets		(6,317)	224,199	84,311	(20,164)
Finance costs		(857,371)	(583,484)	(1,502,274)	(1,160,701)
Foreign exchange gain/(loss)		706	64,334	45,540	(27,958)
Profit before contribution to taxes		1,352,866	2,475,362	2,538,059	4,184,740
Contribution to Kuwait Foundation for Advancement of Sciences		(8,542)	(22,523)	(20,394)	(35,172)
National Labour Support Tax		(54,173)	(75,663)	(102,257)	(136,244)
Zakat expense		(21,669)	(30,265)	(40,903)	(54,497)
Net profit for the period		1,268,482	2,346,911	2,374,505	3,958,827
Attributable to:					
Shareholders of the Parent Company		1,269,056	2,346,819	2,374,301	3,958,553
Non-controlling interests		(574)	92	204	274
		1,268,482	2,346,911	2,374,505	3,958,827
Earnings per share (fils)	12	6.40	13.02	11.98	21.96

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Heavy Engineering Industries and Shipbuilding Company K.S.C.P
and its subsidiaries

Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited) -
Three months and six months ended 30 June 2026

	Kuwaiti Dinars			
	Three months ended 30 June		Six months ended 30 June	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Net profit for the period	1,268,482	2,346,911	2,374,505	3,958,827
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences on translating foreign operations	(2,399)	(63)	33,823	(1,142)
	(2,399)	(63)	33,823	(1,142)
Items that may not to be reclassified subsequently to profit or loss:				
Changes in fair value of investment securities	136,930	10,270	311,516	47,925
	136,930	10,270	311,516	47,925
Other comprehensive income for the period	134,531	10,207	345,339	46,783
Total comprehensive income for the period	1,403,013	2,357,118	2,719,844	4,005,610
Attributable to:				
Shareholders of the Parent Company	1,403,587	2,357,026	2,719,640	4,005,336
Non-controlling interests	(574)	92	204	274
	1,403,013	2,357,118	2,719,844	4,005,610

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Heavy Engineering Industries and Shipbuilding Company K.S.C.P
and its subsidiaries

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited) - Six months ended 30 June 2026

	Kuwaiti Dinars								
	Equity attributable to the Parent Company's Shareholders								
	Share capital	Statutory reserve	General reserve	Foreign currency translation reserve	Treasury shares reserve	Investment fair valuation reserve	Retained earnings	Non-controlling interests	Total
Balance at 31 December 2025	18,024,152	10,946,089	12,789,976	(42,383)	(276)	629,880	38,857,404	5,562	81,210,404
Profit for the period	-	-	-	-	-	-	2,374,301	204	2,374,505
Issuance of bonus shares	1,802,415	-	-	-	-	-	(1,802,415)	-	-
Issuance of treasury shares	-	-	-	-	(119)	-	-	-	(119)
Dividends	-	-	-	-	-	-	(4,505,969)	-	(4,505,969)
Other comprehensive income for the period	-	-	-	33,823	-	311,516	-	-	345,339
Balance at 30 June 2026	19,826,567	10,946,089	12,789,976	(8,560)	(395)	941,396	34,923,321	5,766	79,424,160
Balance at 31 December 2024	18,024,152	10,946,089	11,739,170	628	-	458,718	36,396,872	5,375	77,571,004
Profit for the period	-	-	-	-	-	-	3,958,553	274	3,958,827
Dividends	-	-	-	-	-	-	(6,308,403)	-	(6,308,403)
Other comprehensive (loss)/income for the period	-	-	-	(1,142)	-	47,925	-	-	46,783
Balance at 30 June 2025	18,024,152	10,946,089	11,739,170	(514)	-	506,643	34,047,022	5,649	75,268,211

The accompanying notes form an integral part of this interim condensed consolidated financial information.

Interim Condensed Consolidated Statement of Cash Flows (Unaudited) – Six months ended 30 June 2026

	Note	Kuwaiti Dinars Six months ended 30 June 2026 (Unaudited)	2025 (Unaudited)
Operating activities			
Profit before contribution to taxes and Board of Directors' remuneration		2,538,059	4,184,740
Adjustments for:			
Depreciation	3	3,326,568	2,743,421
Depreciation on right-of-use assets		416,210	417,126
Investment income (net of management fee)		1,188	(84,569)
(Reversal)/charge of expected credit loss on financial assets		(84,311)	20,164
Finance costs		1,502,274	1,160,701
Gain on disposal of property, plant and equipment		(18,695)	(67,479)
Provision for post employment benefits		2,526,151	2,100,527
Operating profit before working capital changes		10,207,444	10,474,631
Inventories		(4,440,433)	(2,580,681)
Contract assets		(34,852,150)	(151,670)
Trade and other receivables		12,835,153	31,362
Trade and other payables		7,797,837	11,062,243
Contract liabilities		(231,238)	(1,326,906)
Post employment benefits paid		(889,412)	(855,421)
Net cash (used)/from in operating activities		(9,572,799)	16,653,558
Investing activities			
Purchase of property, plant and equipment	3	(4,368,489)	(4,314,390)
Proceeds from sale of property, plant and equipment		63,782	509,117
Dividends received		-	85,582
Decrease in deposits with banks		-	198,709
Net cash used in investing activities		(4,304,707)	(3,520,982)
Financing activities			
Repayment of due to banks		(1,149,997)	(7,497,914)
Proceeds from due to banks		22,407,472	5,978,385
Finance costs paid		(1,204,233)	(900,627)
Dividends paid		(4,414,047)	(6,187,132)
Treasury shares		(119)	-
Repayment of lease liabilities		(979,357)	(917,522)
Net cash from/(used) financing activities		14,659,719	(9,524,810)
Increase in cash and cash equivalents		782,213	3,607,766
Cash and cash equivalents at the beginning of period		4,225,255	3,353,120
Cash and cash equivalents at the end of period	5	5,007,468	6,960,886

The accompanying notes form an integral part of this interim condensed consolidated financial information.