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

Interim Condensed Consolidated Financial Information (Unaudited)
and Independent Auditor's Review Report

30 June 2026

Contents

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

		Kuwaiti Dinars		
	Note	**30 June 2026 (Unaudited)**	**31 December 2025 (Audited)**	**30 June 2025 (Unaudited)**
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.

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

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.

1. Incorporation and activities

Heavy Engineering Industries and Shipbuilding Company K.S.C.P (the "Parent Company") is a shareholding company registered in Kuwait and was incorporated in the year 1974. The main activities of the Parent Company are as follows:

- Construction and repair of ships;
- Carrying out all types of marine works, industrial works and installation works, and maintenance of the industrial equipment related to ships, waterways, ports, marine works and similar, complementary or associated industrial contracting works and tendering for the same with international companies; trading in equipment, spare parts, and industrial consumables;
- Acting as an agent for the trading agencies of such equipment, spare parts, and industrial consumables; industrial inspection works and radiation services related to the objectives of the Parent Company;
- Carrying out the maintenance and repair works, and different public services of transport lines, oil and gas tankers, refineries, factories, and annexes associated therewith which are related to such sector;
- Carrying out the basic and periodic maintenance and providing the different public services related to the projects and stations of electrical power generation and distribution as well as projects of water sources, and water and electricity establishments safety;
- Supply, installation, and maintenance of safety equipment and security systems; provision, installation, and maintenance of establishments, equipment, machinery, and all devices used in the fields of electricity, water, and oil whether fixed or mobile and acting as mediators for all other operations required by different companies such as various works, interests, and objectives in all the main oil fields of the oil sector;
- Supply of specialized technical manpower required for the works related to the sector of electricity, water, oil, and environment surrounding such sites and acting as mediators for all other operations required by different companies such as various works, interests, and objectives in all the fields of electricity and water;
- Contribution or participation in the establishments, equipment, machinery, and all devices used in the field of electricity and water either to its own account or in partnership with countries, clients, and similar companies;
- Carrying out the contracting works of laying and installation of pipes of all types and fine cutting works through using plasma, water, etc.;
- Carrying out the contracting works of sandblasting, paint and fixed & mobile scaffolds, in addition to welding contracting for the company objectives;
- Representation of mechanical engineering companies and the international & regional consultations companies of all specializations ; the mechanical, electrical, and construction contracting of all types and contracting of steel works, steel buildings and tanks works of all types, shapes, or usages as well as the maintenance works thereof;
- Carrying out galvanization works and referring to expertise related to the company objectives, whether from Kuwait or abroad;
- Acquiring movables and real estate necessary for executing the activities within the permitted limits under the law;
- Owning intellectual property rights, including patents, trademarks or industrial forms, franchise rights and other moral rights and its utilization and leasing to the subsidiaries or others whether in Kuwait or abroad;
- Lending to the subsidiaries and guarantee the same at others.

The Parent Company shall be entitled to carry out the above-mentioned works as principal or by proxy. The Parent Company may have an interest or participate in any form with the entities, which carry out similar works or which may assist it in achieving its objectives in the state of Kuwait or abroad. The Parent Company may buy or merge such entities.

The Parent Company's registered office is P. O. Box 21998, Safat 13080, Kuwait.

The Parent Company has a branch in Kingdom of Saudi Arabia established on 2 September 2020.

The interim condensed consolidated financial information includes the Parent Company's financial information and the financial information of its branch in Kingdom of Saudi Arabia and the following three subsidiaries (together referred to as "the Group"):

Company Name	**Percentage of holding (direct and indirect)**	**Country**
Gulf Dredging and General Contracting Company K.S.C. (Closed)	99.96%	Kuwait
HEISCO for Technical Specialized Manpower Supply Company WLL	100%	Kuwait
HEISCO Engineering India Private Limited	99.9%	India

The residual interest in Gulf Dredging and General Contracting Company K.S.C. (Closed) is a non-controlling ownership. During the year 2023, the Subsidiary Company participated in a joint operation with Hyundai Engineering & Construction Co., Ltd (collectively referred to as the "Joint Operations") for Rehabilitation of Berth 1 to 7, Shuwaikh Port, Kuwait.

The Parent Company's direct shareholding in HEISCO for Technical Specialized Manpower Supply Company W.L.L. is 80% and the residual interest is held through Gulf Dredging and General Contracting Company K.S.C. (Closed).

The subsidiaries are mainly engaged in dredging and marine and civil construction activities and in providing services related to manpower supply.

The Parent Company invested 99.9% of the share capital of newly established HEISCO Engineering India Private Limited. HEISCO Engineering India Private Limited is engaged in Engineering and procurement contractors, technical, financial and management consultants, carry on turnkey contracts, to construct, build, operate and transfer infrastructure facilities and to provide all services in relation to the Engineering and design work for the projects undertaken.

The interim condensed consolidated financial information for the six-month period ended 30 June 2026 was authorised for issue by the Board of Directors on 12 August 2026.

2. Basis of preparation and material accounting policy information

2.1 Basis of preparation

The interim condensed consolidated financial information of the Group has been prepared in accordance with IAS 34, "Interim Financial Reporting". Accordingly, it does not include all of the information and footnotes required for complete consolidated financial statements prepared in accordance with International Financial Reporting Standards.

The accounting policies used in the preparation of this interim condensed consolidated financial information are consistent with those used in the preparation of the annual audited consolidated financial statements of the Group for the year ended 31 December 2025.

In the opinion of the management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Results for the six months period ended 30 June 2026 are not necessarily indicative of the results that may be expected for the year ending 31 December 2026. For further information, refer to the consolidated financial statements and notes thereto included in the consolidated financial statements of the Group for the year ended 31 December 2025.

This interim condensed consolidated financial information is presented in Kuwaiti Dinars ("KD") which is the functional and presentation currency of the Parent Company.

2.2 Material accounting policy information

The accounting policy information used in the preparation of the condensed consolidated interim financial information are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2025.

Amendments to International Financial Reporting Standards and interpretations that apply for the first time in 2026 do not have an impact on the condensed consolidated interim financial information of the Group.

The Group has not early adopted standards, interpretations or amendments that has been issued but is not yet effective.

2.3 Judgments and estimates

The preparation of interim condensed consolidated financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The key sources of estimates and judgements are consistent with the annual audited consolidated financial statements of the Group for the year ended 31 December 2025.

3. Property, plant and equipment

	Kuwaiti Dinars		
	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 June 2025 (Unaudited)**
Cost:			
As at 1 January	176,595,061	171,983,410	171,983,410
Additions	4,368,489	7,461,910	4,314,390
Disposals	(802,820)	(2,850,259)	(3,232,764)
	180,160,730	176,595,061	173,065,036
Accumulated Depreciation:			
As at 1 January	98,040,125	94,910,481	94,910,481
Charge for the period/year	3,326,568	5,723,310	2,743,421
Disposals	(757,733)	(2,593,666)	(2,791,126)
	100,608,960	98,040,125	94,862,776
Net Book Value	79,551,770	78,554,936	78,202,260

Depreciation has been allocated in condensed consolidated statement of income as follows:

	Kuwaiti Dinars			
	Three months ended 30 June		**Six months ended 30 June**	
	2026	**2025**	**2026**	**2025**
Cost of sales	1,706,329	1,292,639	3,195,013	2,603,323
General and administrative expenses	68,249	75,078	131,555	140,098
	1,774,578	1,367,717	3,326,568	2,743,421

The Group's legal case against the order of Kuwait Port Authority "KPA" to terminate the lease contract for the property in Shuwaikh port, and to vacate the property was decided against the Group by the Court of Appeal on 14 December 2010. The Group filed an appeal in the Court of Cassation against this order, which was accepted by the Court and suspended the execution of the order of the Court of Appeal.

In light of the decision No. 843 of the Council of Ministers issued on 10 June 2013, the Group has concluded an agreement with the Kuwait Ports Authority, for the exploitation of our industrial plot located in Shuwaikh port with a new tariff for 10 years starting from 31 October 2021. The Group has paid all dues to KPA for the period from 1 January 2020 till 31 March 2027.

4. Trade and other receivables

	Kuwaiti Dinars		
	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 June 2025 (Unaudited)**
Current			
Trade receivables	36,305,862	54,960,453	38,606,836
Less: Provision for expected credit losses	(1,773,227)	(1,543,267)	(1,374,661)
	34,532,635	53,417,186	37,232,175
Contract retentions	4,792,413	5,264,069	5,195,083
Other receivables	2,098,988	537,311	207,454
Less: Provision for expected credit losses	(393,327)	(792,955)	(984,700)
	6,498,074	5,008,425	4,417,837
Advances to sub-contractors	7,350,730	4,891,588	4,083,638
Prepayments	4,175,200	2,243,532	2,619,932
	52,556,639	65,560,731	48,353,582
Non-current			
Contract retentions	3,226,019	2,887,412	2,075,150
Less: Provision for expected credit losses	(5,645)	(5,484)	(3,549)
	3,220,374	2,881,928	2,071,601
	55,777,013	68,442,659	50,425,183

5. Cash and bank balances

	Kuwaiti Dinars		
	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 June 2025 (Unaudited)**
Cash on hand	75,125	178,130	379,529
Balances with banks	4,932,343	4,047,125	6,581,357
Cash and cash equivalents in the statement of cash flows	5,007,468	4,225,255	6,960,886
Deposits with banks whose original maturity period exceeds three months	81,000	81,000	81,000
Cash and bank balances	5,088,468	4,306,255	7,041,886

Deposits with banks are held as margin money deposits against letter of guarantee facilities from local commercial banks.

6. Shareholders' Meeting

The Annual General Assembly meeting held on 30 March 2026 approved the consolidated financial statements for the year ended 31 December 2025 in addition to the followings:

- Distribution of cash dividend of 25 fils per share amounting to KD 4,505,969 and bonus shares of ten for every hundred shares amounting to KD 1,802,415 (2024: cash dividend of 35 fils per share amounting to KD 6,308,403) to the eligible shareholders on 3 May 2026.

- Board of Directors' remuneration amounted to KD 115,000 (2024: KD 115,000).

- Approved acquisition of 50% of Pure Works & Services company for construction & maintenance of wastewater treatment plants, sewer networks and pump W.L.L for a purchase consideration of KD 7,304,500.

7. Due to banks

	Kuwaiti Dinars		
	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 June 2025 (Unaudited)**
Current			
Term loans	6,780,862	1,801,663	664,163
Advance against promissory notes	1,869,251	3,019,249	2,250,938
Wakala payable	15,980,000	14,980,000	14,980,000
Bank overdrafts	40,351,193	25,070,420	20,233,608
	64,981,306	44,871,332	38,128,709
Non-current			
Term loans	4,650,000	3,262,500	-
Wakala payable	820,000	1,060,000	1,300,000
	5,470,000	4,322,500	1,300,000
Total	70,451,306	49,193,832	39,428,709

Term loans represent Kuwaiti Dinar loan facilities amounting to KD 11,430,862 (31 December 2025: KD 5,064,163, 30 June 2025: KD 664,163) from local banks. The effective rate of interest of these term loans as at 30 June 2026 is 4.58% per annum (31 December 2025: 4.33%, 30 June 2025: 5.25%).

Advance against promissory notes represents Kuwaiti Dinar facilities from local commercial banks. The effective interest rates on these facilities as at 30 June 2026 was 4.75% (31 December 2025: 4.75%; 30 June 2025: 5.50%) per annum.

Wakala payables includes Kuwaiti Dinar credit facilities granted by a local Islamic bank. Wakala payable amounting to KD 16,800,000 (31 December 2025: 16,040,000, 30 June 2025: 16,280,000) represents working capital facilities granted by a local Islamic bank. The effective cost of wakala payables as of 30 June 2026 was: 4.50% to 4.75% (31 December 2025: 4.50% to 4.75%, 30 June 2025: 5.01% to 5.25%) per annum.

Bank overdrafts are denominated in Kuwaiti Dinars. The effective rate of interest as at 30 June 2026 is approximately 5.25% (31 December 2025: 5.25%, 30 June 2025: 5.38%) per annum.

8. Trade and other payables

	Kuwaiti Dinars		
	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 June 2025 (Unaudited)**
Current			
Advances from customers	34,258,145	29,288,084	24,620,385
Trade payables	18,763,280	13,108,478	12,078,583
Subcontractor payables	18,075,496	17,336,886	21,011,146
Due to employees	9,293,706	7,754,769	7,217,823
Retention payables	3,695,613	3,631,159	3,155,820
Dividend payables	736,138	644,216	659,733
Kuwait Foundation for Advancement of Sciences payable	20,394	104,624	35,172
National Labour Support tax payable	102,257	334,647	136,244
Zakat payable	40,903	133,859	54,497
Other payables and accruals	6,610,166	11,013,019	6,241,730
	91,596,098	83,349,741	75,211,133
Non-current			
Retention payables	854,627	854,932	986,737
	854,627	854,932	986,737
Total	92,450,725	84,204,673	76,197,870

9. Revenue

	Kuwaiti Dinars			
	Three months ended 30 June		**Six months ended 30 June**	
	2026	**2025**	**2026**	**2025**
Industrial, oil and gas	48,951,806	41,080,160	87,408,231	82,704,434
Shipyard	2,878,292	2,372,795	5,225,234	4,298,365
Offshore	3,178,243	3,453,969	5,744,153	7,018,608
	55,008,341	46,906,924	98,377,618	94,021,407

The total revenue disaggregated into three major operating divisions as disclosed in note 13 are Industrial, oil and gas; Shipyard and Offshore. Revenue is recognised point over time except for revenue from trading amounting to KD 1,135,572 (30 June 2025: KD 2,631,631) included in Industrial, oil and gas. Revenue from trading is recognised point in time.

The transaction price allocated to not yet fulfilled performance obligations (backlog) at 30 June 2026 are KD 853,671,892 (30 June 2025: KD 672,572,345).

10. Cost of sales

	Kuwaiti Dinars			
	Three months ended 30 June		Six months ended 30 June	
	2026	**2025**	**2026**	**2025**
Manpower cost	22,988,753	20,719,441	43,824,100	40,117,933
Materials	16,079,585	11,709,811	24,414,938	23,312,409
Subcontracting expenses	4,198,336	3,302,842	9,404,017	8,984,431
Equipment hire	3,958,197	3,448,633	6,474,260	6,177,185
Depreciation	1,706,329	1,292,640	3,195,013	2,603,323
Lease rent	1,036,013	702,728	2,138,265	1,369,435
Insurance & Maintenance	588,439	675,966	1,263,605	1,297,524
Bank charges	426,960	381,152	808,358	830,674
Others	355,525	563,465	981,922	1,249,068
	51,338,137	42,796,678	92,504,478	85,941,982

11. Other operating income

Other operating income includes KD 1,172,763 on account of final settlement from a joint venture completed in the prior year.

12. Earnings per share

Earnings per share is computed by dividing the net profit for the period by the weighted average number of ordinary shares outstanding during the period as follows:

	Kuwaiti Dinars			
	Three months ended 30 June		Six months ended 30 June	
	2026	**2025**	**2026**	**2025**
Net profit for the period attributable to shareholders of the Parent Company (KD)	1,269,056	2,346,819	2,374,301	3,958,553
Weighted average number of outstanding shares during the period	198,265,668	180,241,517	198,265,668	180,241,517
Earnings per share (fils)	6.40	13.02	11.98	21.96

Earnings per share (fils) was 13.17 for the period ended 30 June 2026 before retrospective adjustment to the number of shares following the distribution of stock dividend.

13. Related party transactions

The Group has entered into transactions with related parties on terms approved by management. Transactions and balances with related parties (in addition to those disclosed in other notes) are as follows:

	Kuwaiti Dinars			
	Three months ended 30 June		Six months ended 30 June	
	2026	2025	2026	2025
Cost of revenue	422,041	48,279	526,845	110,891
Key management compensation:	53,723	44,954	109,215	91,946
Post-employment benefits	4,761	4,042	9,470	8,040
Other benefits	19,188	17,711	38,264	35,327
	499,713	114,986	683,794	246,204

Related Party Balances:

	Kuwaiti Dinars		
	30 June 2026 (Unaudited)	31 December 2025 (Audited)	30 June 2025 (Unaudited)
Trade and other payables	26,644	23,575	48,278
Post employment benefits payable	259,907	250,437	202,651
Other benefits payable	70,687	62,175	54,949
	357,238	336,187	305,878

14. Business segments

The Group is organised into three major operating divisions: Industrial Oil & Gas, Shipyard and Offshore. All operations are conducted within Kuwait. Segment information for the three- months and six-months period ended 30 June 2026 and 30 June 2025 is as follows:

	KD 000's															
	Industrial Oil & Gas		**Shipyard**		**Offshore**		**Total**		**Industrial Oil & Gas**		**Shipyard**		**Offshore**		**Total**	
	Three months ended 30 June								**Six months ended 30 June**							
	2026	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**	**2026**	**2025**
Revenue and results																
Revenue	48,952	41,080	2,878	2,373	3,178	3,454	55,008	46,907	87,408	82,704	5,226	4,298	5,744	7,019	98,378	94,021
Gross profit	5,149	4,464	(290)	(693)	(1,189)	339	3,670	4,110	7,037	8,055	(457)	(1,043)	(707)	1,067	5,873	8,079
Unallocated income							113	102							1,452	211
Unallocated expenses							(2,515)	(1,865)							(4,950)	(4,331)
Net profit for the period							1,268	2,347							2,375	3,959

	KD 000'											
	Industrial Oil & Gas			**Shipyard**			**Offshore**			**Total**		
	As at											
	30 June 2026	**31 December 2025**	**30 June 2025**	**30 June 2026**	**31 December 2025**	**30 June 2025**	**30 June 2026**	**31 December 2025**	**30 June 2025**	**30 June 2026**	**31 December 2025**	**30 June 2025**
Assets												
Property, plant and equipment	49,210	47,913	46,987	13,831	14,199	14,359	7,248	7,518	7,913	70,289	69,630	69,259
Unallocated property, plant and equipment										9,263	8,925	8,943
										79,552	78,555	78,202
Other assets	154,768	134,508	106,957	12,414	10,806	9,419	13,334	9,302	10,363	180,516	154,616	126,739
Unallocated other assets										7,438	6,119	8,880
										187,954	160,735	135,619
Total assets										267,506	239,290	213,821
Liabilities	90,732	83,075	75,962	7,802	6,825	5,607	9,991	9,370	9,538	108,525	99,270	91,107
Unallocated liabilities										79,557	58,809	47,446
Total liabilities										188,082	158,079	138,553
Capital expenditure	3,568	5,832	3,328	38	384	130	127	326	170	3,733	6,542	3,628
Unallocated capital expenditure										635	920	686
										4,368	7,462	4,314
Depreciation	2,394	3,813	1,834	406	860	426	395	733	343	3,195	5,406	2,603
Unallocated depreciation										132	317	140
										3,327	5,723	2,743

15. Fair value hierarchy for financial instruments measured at fair value

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The estimated fair values of financial assets and liabilities approximated their respective net book values at the reporting date.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

	Kuwaiti Dinars			
	Level 1	**Level 2**	**Level 3**	**Total**
30 June 2026 (Unaudited)				
Investment securities:				
Local quoted security	2,088,189	-	-	2,088,189
31 December 2025 (Audited)				
Investment securities:				
Local quoted security	1,776,673	-	-	1,776,673
30 June 2025 (Unaudited)				
Investment securities:				
Local quoted security	1,653,437	-	-	1,653,437

There were no transfers between the levels during the period.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

16. Contingent liability and commitments

	Kuwaiti Dinars		
	30 June 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 June 2025 (Unaudited)**
Contingent liabilities			
Letter of guarantees	150,282,443	132,567,661	116,444,479
Commitments			
Letter of credit	22,037,372	21,923,747	15,449,376
Capital commitments	7,304,500	1,064,809	-

17. Subsequent events

Subsequent to the reporting date, Group acquired 50% of Pure Works & Services company for construction & maintenance of wastewater treatment plants, sewer networks and pump W.L.L for a purchase consideration of KD 7,304,500.

18. Impact of geopolitical events

In the light of the geopolitical conflict in the Middle-East that commenced in late February 2026, and the associated uncertainty around its potential impact on economic activity, inflation, and market conditions, management acknowledges that this matter may require revision of certain assumptions and estimates in preparing these financial statements in future reporting periods, related to allowances for credit losses if the conflict proves prolonged. However, at this stage Management is unable to reliably estimate any potential, as events are unfolding day-by-day.