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 September 2026

Contents

	Page
Independent Auditor's Review Report	1
Interim Condensed Consolidated Statement of Financial Position (Unaudited)	2
Interim Condensed Consolidated Statement of Income (Unaudited)	3
Interim Condensed Consolidated Statement of Comprehensive Income (Unaudited)	4
Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)	5
Interim Condensed Consolidated Statement of Cash Flows (Unaudited)	6
Notes to the Interim Condensed Consolidated Financial Information (Unaudited)	7 – 20

Deloitte.

Deloitte & Touche
Al-Wazzan & Co.
Ahmed Al-Jaber Street, Sharq
Dar Al-Awadi Complex, Floors 7 & 9
P.O. Box 20174, Safat 13062
Kuwait
Tel : +965 22408844, 22438060
Fax : +965 22408855, 22452080
www.deloitte.com

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 September 2026 and the related interim condensed consolidated statements of income and comprehensive income for three-months and nine-months periods then ended and the related interim condensed consolidated statements of changes in equity and cash flows for the nine-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 nine-months period ended 30 September 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 nine-months period ended 30 September 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
11 November 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 September 2026

	Note	Kuwaiti Dinars		
		30 September 2026 (Unaudited)	31 December 2025 (Audited)	30 September 2025 (Unaudited)
Assets				
Non-current assets				
Goodwill	3	7,298,891	-	-
Property, plant and equipment	4	79,601,446	78,554,936	78,442,110
Right-of-use asset		2,227,435	2,856,690	3,070,265
Investment securities		2,036,841	1,776,673	1,762,982
Trade and other receivables	5	3,629,197	2,881,928	2,646,858
		94,793,810	86,070,227	85,922,215
Current assets				
Inventories		31,926,998	23,698,547	22,050,699
Contract assets		102,093,392	59,654,127	63,578,119
Trade and other receivables	5	58,933,232	65,560,731	52,954,552
Cash and bank balances	6	5,489,842	4,306,255	5,387,583
		198,443,464	153,219,660	143,970,953
Total assets		293,237,274	239,289,887	229,893,168
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		2,373	(42,383)	(1,533)
Treasury shares reserve		(395)	(276)	-
Investment fair valuation reserve		890,048	629,880	616,188
Retained earnings		35,472,642	38,857,404	35,744,746
		79,927,300	81,204,842	77,068,812
Non-controlling interests		759,126	5,562	5,765
Total Equity		80,686,426	81,210,404	77,074,577
Non-current liabilities				
Post employment benefits		23,697,782	21,427,061	20,671,030
Lease liabilities		1,054,533	1,930,979	1,887,209
Due to banks	8	12,100,000	4,322,500	4,742,500
Trade and other payables	9	794,145	854,932	941,917
		37,646,460	28,535,472	28,242,656
Current liabilities				
Lease liabilities		848,504	848,504	848,504
Contract liabilities		1,075,011	474,434	370,264
Due to banks	8	72,945,202	44,871,332	41,919,840
Trade and other payables	9	100,035,671	83,349,741	81,437,327
		174,904,388	129,544,011	124,575,935
Total liabilities		212,550,848	158,079,483	152,818,591
Total equity and liabilities		293,237,274	239,289,887	229,893,168

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 nine months ended 30 September 2026

	Note	Kuwaiti Dinars			
		Three months ended 30 September		Nine months ended 30 September	
		2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Revenue	10	58,236,687	54,419,921	156,614,305	148,441,328
Cost of revenue	11	(54,164,545)	(50,822,949)	(146,669,023)	(136,764,931)
Gross profit		4,072,142	3,596,972	9,945,282	11,676,397
Other operating income	12	77,592	167,890	1,399,871	293,983
General and administration expenses		(1,735,240)	(1,502,149)	(5,018,989)	(4,398,673)
Investment income (net of management fee)		57,539	33,670	56,351	118,239
Reversal of expected credit loss on financial assets		15,588	53,349	99,899	33,185
Finance costs		(1,130,363)	(569,952)	(2,632,637)	(1,730,653)
Foreign exchange (loss)/gain		(4,577)	26,801	40,963	(1,157)
Profit before contribution to taxes		1,352,681	1,806,581	3,890,740	5,991,321
Contribution to Kuwait Foundation for Advancement of Sciences		(14,069)	(15,233)	(34,463)	(50,405)
National Labour Support Tax		(29,672)	(66,791)	(131,929)	(203,035)
Zakat expense		(11,868)	(26,717)	(52,771)	(81,214)
Net profit for the period		1,297,072	1,697,840	3,671,577	5,656,667
Attributable to:					
Shareholders of the Parent Company		549,321	1,697,724	2,923,622	5,656,277
Non-controlling interests		747,751	116	747,955	390
		1,297,072	1,697,840	3,671,577	5,656,667
Earnings per share (fils)	13	2.77	8.56	14.75	28.53

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 nine months ended 30 September 2026

	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2026 (Unaudited)	2025 (Unaudited)	2026 (Unaudited)	2025 (Unaudited)
Net profit for the period	1,297,072	1,697,840	3,671,577	5,656,667
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences on translating foreign operations	10,933	(1,019)	44,756	(2,161)
	10,933	(1,019)	44,756	(2,161)
Items that may not to be reclassified subsequently to profit or loss:				
Changes in fair value of investment securities	(51,348)	109,545	260,168	157,470
	(51,348)	109,545	260,168	157,470
Other comprehensive (loss)/income for the period	(40,415)	108,526	304,924	155,309
Total comprehensive income for the period	1,256,657	1,806,366	3,976,501	5,811,976
Attributable to:				
Shareholders of the Parent Company	508,906	1,806,250	3,228,546	5,811,586
Non-controlling interests	747,751	116	747,955	390
	1,256,657	1,806,366	3,976,501	5,811,976

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) - Nine months ended 30 September 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	-	-	-	-	-	-	2,923,622	747,955	3,671,577
Issuance of bonus shares	1,802,415	-	-	-	-	-	(1,802,415)	-	-
Issuance of treasury shares	-	-	-	-	(119)	-	-	-	(119)
Dividends (note 7)	-	-	-	-	-	-	(4,505,969)	-	(4,505,969)
Non-controlling interests on acquisition of a subsidiary (note 15)	-	-	-	-	-	-	-	5,609	5,609
Other comprehensive income for the period	-	-	-	44,756	-	260,168	-	-	304,924
Balance at 30 September 2026	19,826,567	10,946,089	12,789,976	2,373	(395)	890,048	35,472,642	759,126	80,686,426
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	-	-	-	-	-	-	5,656,277	390	5,656,667
Dividends	-	-	-	-	-	-	(6,308,403)	-	(6,308,403)
Other comprehensive (loss)/income for the period	-	-	-	(2,161)	-	157,470	-	-	155,309
Balance at 30 September 2025	18,024,152	10,946,089	11,739,170	(1,533)	-	616,188	35,744,746	5,765	77,074,577

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) –
Nine months ended 30 September 2026

	Note	Kuwaiti Dinars	
		Nine months ended 30 September	
		2026 (Unaudited)	2025 (Unaudited)
Operating activities			
Profit before contribution to taxes and Board of Directors' remuneration		3,890,740	5,991,321
Adjustments for:			
Depreciation	4	5,388,992	4,139,727
Depreciation on right-of-use assets		629,255	630,945
Investment income (net of management fee)		(56,351)	(118,239)
Reversal of expected credit loss on financial assets		(99,899)	(33,185)
Finance costs		2,632,637	1,730,653
Gain on disposal of property, plant and equipment		(56,810)	(213,036)
Provision for post employment benefits		3,768,037	3,530,134
Cash flows from operating activities before working capital		16,096,601	15,658,320
Inventories		(8,209,560)	(6,576,149)
Contract assets		(42,453,476)	(8,548,823)
Trade and other receivables		6,099,207	(5,067,350)
Trade and other payables		15,804,567	17,144,433
Contract liabilities		600,577	(1,473,835)
Post employment benefits paid		(1,497,316)	(1,366,510)
Net cash (used)/from in operating activities		(13,559,400)	9,770,086
Investing activities			
Purchase of property, plant and equipment	4	(6,462,751)	(5,806,439)
Acquisition of a subsidiary	15	(7,304,500)	-
Proceeds from sale of property, plant and equipment		103,611	510,567
Dividends received		58,195	119,814
Decrease in deposits with banks		-	198,709
Net cash used in investing activities		(13,605,445)	(4,977,349)
Financing activities			
Repayment of due to banks		(4,637,620)	(6,325,152)
Proceeds from due to banks		40,488,990	12,039,254
Finance costs paid		(2,193,854)	(1,399,096)
Dividends paid		(4,419,065)	(6,195,237)
Treasury shares		(119)	-
Repayment of lease liabilities		(979,842)	(959,043)
Net cash from/(used) financing activities		28,258,490	(2,839,274)
Increase in cash and cash equivalents		1,093,645	1,953,463
Cash and cash equivalents at the beginning of period		4,225,255	3,353,120
Cash and cash equivalents acquired in business combination	15	89,942	-
Cash and cash equivalents at the end of period	6	5,408,842	5,306,583

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 W.L.L	100%	Kuwait
HEISCO Engineering India Private Limited	99.9%	India
Pure Works & Services Company for Construction & Maintenance of Wastewater Treatment Plants, Sewer Networks and Pump W.L.L ("PWS")	50%	Kuwait

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.

During the period, the Group acquired control of PWS, a Kuwaiti limited liability company established to undertake the construction and maintenance of wastewater treatment plants, sewer networks, pumping systems, and related infrastructure. Refer note 15 for further details.

The interim condensed consolidated financial information for the nine-month period ended 30 September 2026 was authorised for issue by the Board of Directors on 11 November 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 except for the accounting policies described in note 2.3 and 2.4.

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 nine months period ended 30 September 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 except following accounting policy.

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 Business combination

The Group applies the acquisition method in accounting for business combinations involving entities other than under common control. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is re measured to fair value at the acquisition date through consolidated statement of profit or loss. The fair value of the equity of the acquiree at the acquisition date is determined using valuation techniques and considering the outcome of recent transactions for similar assets in the same industry in the same geographical region.

The Group recognises identifiable assets acquired and liabilities assumed in a business combination regardless of whether they have been previously recognised in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at their acquisition-date fair values. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

The Group separately recognizes contingent liabilities assumed in a business combination if it is a present obligation that arises from past events and its fair value can be measured reliably.

An indemnification received from the seller in a business combination for the outcome of a contingency or uncertainty related to all or part of a specific asset or liability that is recognized at the acquisition date at its acquisition-date fair value is recognized as an indemnification asset at the acquisition date at its acquisition-date fair value.

The Group uses provisional values for the initial accounting of a business combination and recognizes any adjustment to these provisional values within the measurement period which is twelve months from the acquisition date.

2.4 Goodwill

Goodwill arising in a business combination is computed as the excess of the aggregate of: the consideration transferred; the non-controlling interests in the acquiree's net identifiable assets at the acquisition date, if any; and in a business combination achieved in stages the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree, over the net of the acquisition-date fair values of the identifiable assets acquired and liabilities assumed. Any deficit is a gain from a bargain purchase and is recognized directly in the consolidated statement of profit or loss.

Goodwill is not amoritsed and is tested at least annually for impairment and carried at cost less accumulated impairment losses.

Assets are grouped at the lowest levels for which there are separately identifiable cash flows, known as cash generating units (CGU) for the purpose of assessing impairment of goodwill. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata, on the basis of the carrying amount of each asset in the CGU. Impairment loss relating to goodwill cannot be reversed in a subsequent period. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risk specific to the asset for which the estimates of future cash flows have not been adjusted. The Group uses five year business plans for the value in use calculation. Long range growth rates are used for cash flows into perpetuity beyond the five year period. Fair value less costs to sell is determined with referenced to published quoted prices.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.5 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, except for the judgements and estimates described below.

Goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with its accounting policy. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates and the input factors.

Any changes in these estimates and assumptions as well as the use of different, but equally reasonable estimates and assumptions may have an impact on the carrying value of the above assets.

3. Goodwill

	Kuwaiti Dinars		
	30 September 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 September 2025 (Unaudited)**
On acquisition of a subsidiary (note 15)	7,298,891	-	-
	7,298,891	-	-

The carrying value of the goodwill relates to the acquisition of PWS. The Group has identified this business as cash generating unit for the purpose of testing the impairment of goodwill.

4. Property, plant and equipment

	Kuwaiti Dinars		
	30 September 2026 (Unaudited)	31 December 2025 (Audited)	30 September 2025 (Unaudited)
Cost:			
As at 1 January	176,595,061	171,983,410	171,983,410
Additions for the period/year	6,462,751	7,461,910	5,806,439
On acquisition of a subsidiary (note 15)	19,552	-	-
Disposals	(1,421,221)	(2,850,259)	(2,536,380)
	181,656,143	176,595,061	175,253,469
Accumulated Depreciation:			
As at 1 January	98,040,125	94,910,481	94,910,481
Charge for the period/year	5,388,992	5,723,310	4,139,727
Disposals	(1,374,420)	(2,593,666)	(2,238,849)
	102,054,697	98,040,125	96,811,359
Net Book Value	79,601,446	78,554,936	78,442,110

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

	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
Cost of revenue	1,974,182	1,307,142	5,169,195	3,910,465
General and administrative expenses	88,242	89,164	219,797	229,262
	2,062,424	1,396,306	5,388,992	4,139,727

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.

5. Trade and other receivables

	Kuwaiti Dinars		
	30 September 2026 (Unaudited)	31 December 2025 (Audited)	30 September 2025 (Unaudited)
Current			
Trade receivables	43,329,361	54,960,453	43,340,550
Less: Provision for expected credit losses	(1,722,992)	(1,543,267)	(1,364,778)
	41,606,369	53,417,186	41,975,772
Contract retentions	4,616,724	5,264,069	5,373,980
Other receivables	1,819,081	537,311	245,117
Less: Provision for expected credit losses	(394,212)	(792,955)	(915,856)
	6,041,593	5,008,425	4,703,241
Advances to sub-contractors	7,154,656	4,891,588	3,775,817
Prepayments	4,130,614	2,243,532	2,499,722
	58,933,232	65,560,731	52,954,552
Non-current			
Contract retentions	3,635,722	2,887,412	2,651,619
Less: Provision for expected credit losses	(6,525)	(5,484)	(4,761)
	3,629,197	2,881,928	2,646,858
	62,562,429	68,442,659	55,601,410

6. Cash and bank balances

	Kuwaiti Dinars		
	30 September 2026 (Unaudited)	31 December 2025 (Audited)	30 September 2025 (Unaudited)
Cash on hand	284,215	178,130	372,497
Balances with banks	4,624,627	4,047,125	4,934,086
Deposits with banks whose original maturity period less than 3 months	500,000	-	-
Cash and cash equivalents in the statement of cash flows	5,408,842	4,225,255	5,306,583
Deposits with banks whose original maturity period exceeds three months and less than 12 months	81,000	81,000	81,000
Cash and bank balances	5,489,842	4,306,255	5,387,583

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

7. 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.

8. Due to banks

	Kuwaiti Dinars		
	30 September 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 September 2025 (Unaudited)**
Current			
Term loans	6,862,370	1,801,663	1,801,663
Advance against promissory notes	2,503,546	3,019,249	2,620,268
Wakala payable	18,730,000	14,980,000	14,980,000
Bank overdrafts	44,849,286	25,070,420	22,517,909
	72,945,202	44,871,332	41,919,840
Non-current			
Term loans	4,100,000	3,262,500	3,562,500
Wakala payable	8,000,000	1,060,000	1,180,000
	12,100,000	4,322,500	4,742,500
Total	85,045,202	49,193,832	46,662,340

Term loans represent Kuwaiti Dinar loan facilities amounting to KD 10,962,370 (31 December 2025: KD 5,064,163, 30 September 2025: KD 5,364,163) from local banks. The effective rate of interest of these term loans as at 30 September 2026 is 4.58 % per annum (31 December 2025: 4.33%, 30 September 2025: 4.25%).

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

Wakala payables includes Kuwaiti Dinar credit facilities granted by a local Islamic bank. Wakala payable amounting to KD 26,730,000 (31 December 2025: 16,040,000, 30 September 2025: KD 16,160,000) represents working capital facilities granted by a local Islamic bank. The effective cost of wakala payables as of 30 September 2026 was: 4.5% to 4.75% (31 December 2025: 4.50% to 4.75%, 30 September 2025: 4.75% to 5.00%) per annum.

Bank overdrafts are denominated in Kuwaiti Dinars. The effective rate of interest as at 30 September 2026 is approximately 5.25% (31 December 2025: 5.25%, 30 September 2025: 5.55%) per annum.

9. Trade and other payables

	Kuwaiti Dinars		
	30 September 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 September 2025 (Unaudited)**
Current			
Advances from customers	33,241,739	29,288,084	24,256,863
Trade payables	25,621,948	13,108,478	13,623,120
Subcontractor payables	17,806,116	17,336,886	23,037,682
Due to employees	8,954,342	7,754,769	7,533,444
Retention payables	3,807,945	3,631,159	3,260,982
Dividend payables	731,120	644,216	651,629
National Labour Support tax payable	131,929	334,647	203,035
Zakat payable	52,771	133,859	81,214
Kuwait Foundation for Advancement of Sciences payable	34,463	104,624	50,405
Other payables and accruals	9,653,298	11,013,019	8,738,953
	100,035,671	83,349,741	81,437,327
Non-current			
Retention payables	794,145	854,932	941,917
	794,145	854,932	941,917
Total	100,829,816	84,204,673	82,379,244

10. Revenue

	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
Industrial, oil and gas	52,964,121	49,026,102	140,372,352	131,730,536
Shipyard	2,585,857	2,497,193	7,811,091	6,795,558
Offshore	2,686,709	2,896,626	8,430,862	9,915,234
	58,236,687	54,419,921	156,614,305	148,441,328

The total revenue disaggregated into three major operating divisions as disclosed in note 16 are Industrial, oil and gas; Shipyard and Offshore. Revenue is recognised point over time except for revenue from trading amounting to KD 1,866,643 (30 September 2025: KD 4,296,692) 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 September 2026 are KD 932,804,396 (30 September 2025: KD 664,210,812).

11. Cost of revenue

	Kuwaiti Dinars			
	Three months ended 30 September		Nine months ended 30 September	
	2026	2025	2026	2025
Manpower cost	21,808,384	21,736,786	65,632,484	61,854,719
Materials	13,808,327	13,757,817	38,223,265	37,070,226
Subcontracting expenses	10,355,247	7,655,867	19,759,264	16,640,298
Equipment hire	3,689,203	3,803,848	10,163,463	9,981,033
Depreciation	1,974,182	1,307,142	5,169,195	3,910,465
Lease rent	1,055,782	861,960	3,194,047	2,231,395
Insurance & Maintenance	647,085	521,731	1,910,690	1,819,255
Bank charges	311,068	354,474	1,119,426	1,185,148
Others	515,267	823,324	1,497,189	2,072,392
	54,164,545	50,822,949	146,669,023	136,764,931

12. 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.

13. 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 September		Nine months ended 30 September	
	2026	2025	2026	2025
Net profit for the period attributable to shareholders of the Parent Company (KD)	549,321	1,697,724	2,923,622	5,656,277
Weighted average number of outstanding shares during the period	198,265,668	198,265,668	198,265,668	198,265,668
Earnings per share (fils)	2.77	8.56	14.75	28.53

Earnings per share (fils) was 31.38 for the period ended 30 September 2025 before retrospective adjustment to the number of shares following the distribution of stock dividend.

14. 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 September		Nine months ended 30 September	
	2026	2025	2026	2025
Revenue	6,255,598	-	6,255,598	-
Cost of revenue	182,350	75,860	709,195	186,751
Purchase consideration paid on acquisition of a subsidiary (note 15)	7,304,500	-	7,304,500	-
Key management compensation:				
Salaries and other short term employee benefits	52,523	42,985	161,738	134,931
Post-employment benefits	4,813	5,483	14,283	13,523
Other benefits	19,299	21,357	57,563	56,684
	76,635	69,825	233,584	205,138

Related Party Balances:

	Kuwaiti Dinars		
	30 September 2026 (Unaudited)	31 December 2025 (Audited)	30 September 2025 (Unaudited)
Trade and other receivables	2,129,828	-	-
Trade and other payables	326,124	23,575	50,445
Post employment benefits payable	264,720	250,437	208,135
Other benefits payable	67,752	62,175	52,822

15. Business combinations

Acquisition of Pure Works & Services Company for Construction & Maintenance of Wastewater Treatment Plants, Sewer Networks and Pump W.L.L ("PWS")

During the period, The Group acquired control of PWS, whose principal activity is construction and maintenance of wastewater treatment plants, sewer networks, pumping systems, and related infrastructure based on the sale and purchase agreement to acquire 50% of PWS's issued share capital for a consideration of KD 7,304,500. The provisional value assigned to the identifiable assets and liabilities as at the date of acquisition, which are subject to review within one year of acquisition on finalisation of Purchase Price Allocation (PPA), are shown below:

	Kuwaiti Dinars
Total consideration	7,304,500
Non-controlling interests' share	5,609
Total	7,310,109
Less: Recognised amounts of identifiable assets acquired and liabilities assumed:	
Property, plant and equipment	19,552
Inventories	18,891
Contract assets	103,867
Trade and other receivables	1,000
Cash and bank balances	89,942
Trade and other payables	(222,034)
Total identifiable net assets	11,218
Provisional goodwill arising from business combination	7,298,891

Cash flows on business combination	
Cash and bank balances	89,942
Cash and cash equivalents in subsidiary acquired	89,942
Consideration paid in cash	(7,304,500)
Net cash outflow on business combination	(7,214,558)

The acquired assets and liabilities are non-cash transactions and excluded from consolidated statement of cash flows.

PWS contributed KD 6,255,598 revenue and KD 1,495,546 to the Group's profit for the period. Had the acquisition of PWS been completed on the first day of the financial year, Group revenues and profit for the period would have been KD 6,359,465 and KD 1,505,854 respectively.

16. 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 nine-months period ended 30 September 2026, and 30 September 2025 is as follows:

	KD 000's															
	Industrial Oil & Gas		Shipyard		Offshore		Total		Industrial Oil & Gas		Shipyard		Offshore		Total	
	Three months ended 30 September								Nine months ended 30 September							
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Revenue and results																
Revenue	52,964	49,026	2,586	2,497	2,687	2,897	58,237	54,420	140,372	131,731	7,811	6,796	8,431	9,914	156,614	148,441
Gross profit/(loss)	3,934	3,984	27	(714)	111	327	4,072	3,597	10,971	12,039	(430)	(1,757)	(596)	1,394	9,945	11,676
Unallocated income							146	234							1,598	445
Unallocated expenses							(2,921)	(2,133)							(7,871)	(6,464)
Net profit for the period							1,297	1,698							3,672	5,657

Notes to the Interim Condensed Consolidated Financial Information (Unaudited) - 30 September 2026

	KD 000'											
	Industrial Oil & Gas			Shipyard			Offshore			Total		
	As at											
	30 September 2026	31 December 2025	30 September 2025	30 September 2026	31 December 2025	30 September 2025	30 September 2026	31 December 2025	30 September 2025	30 September 2026	31 December 2025	30 September 2025
Assets												
Property, plant and equipment	49,386	47,913	47,375	13,638	14,199	14,408	7,195	7,518	7,766	70,219	69,630	69,549
Unallocated property, plant and equipment										9,382	8,925	8,893
										79,601	78,555	78,442
Other assets	171,180	134,508	125,228	13,453	10,806	9,160	14,056	9,302	9,731	198,689	154,616	144,119
Unallocated other assets										14,947	6,119	7,332
										213,636	160,735	151,451
Total assets										293,237	239,290	229,893
Liabilities	100,054	83,075	80,826	8,741	6,825	5,998	9,255	9,370	10,311	118,050	99,270	97,135
Unallocated liabilities										94,501	58,809	55,684
Total liabilities										212,551	158,079	152,819
Capital expenditure	5,038	5,832	4,487	53	384	395	486	326	218	5,577	6,542	5,100
Unallocated capital expenditure										886	920	706
										6,463	7,462	5,806
Depreciation	3,746	3,813	2,732	616	860	642	807	733	537	5,169	5,406	3,911
Unallocated depreciation										220	317	229
										5,389	5,723	4,140

17. 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 September 2026 (Unaudited)				
Investment securities:				
Local quoted security	2,036,841	-	-	2,036,841
31 December 2025 (Audited)				
Investment securities:				
Local quoted security	1,776,673	-	-	1,776,673
30 September 2025 (Unaudited)				
Investment securities:				
Local quoted security	1,762,982	-	-	1,762,982

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.

18. Contingent liability and commitments

	Kuwaiti Dinars		
	30 September 2026 (Unaudited)	**31 December 2025 (Audited)**	**30 September 2025 (Unaudited)**
Contingent liabilities			
Letter of guarantees	150,928,546	132,567,661	125,046,959
Commitments			
Letter of credit	24,948,204	21,923,747	21,927,203
Capital commitments	-	1,064,809	-

19. 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.