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

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

HEISCO

Date: 10th November 2025

Reference: CM/AR/111/2025

التاريخ : 10 نوفمبر 2025

إشارة : CM/AR/111/2025

To: **Boursa Kuwait**

Greetings,

السادة / شركة بورصة الكويت المحترمين

تحية طيبة وبعد،،،

Subject: Approval of The Financial Statements for The Period Ended On 30 September 2025:

We would like to inform you that The BOD has approved the Financial Statements of Heavy Engineering Industries and Shipbuilding Co. (Ship-506) & its subsidiaries for the Third quarter ended 30 September 2025 on Monday 10 November 2025.

- The Analyst/ Investor conference will take place on Wednesday ,12 November 2025 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 September 2025 is attached.

Yours Sincerely

الموضوع: إعتماد البيانات المالية للفترة المنتهية في 30 سبتمبر 2025 :

يرجى التفضل بالعلم بأن مجلس إدارة الشركة قد إعتمد اليوم الأثنين الموافق 10 نوفمبر 2025 البيانات المالية لشركة الصناعات الهندسية الثقيلة وبناء السفن وشركاتها التابعة (سفن -506) للربع الثالث للفترة المنتهية في 30 سبتمبر 2025 .

- وقد تقرر عقد مؤتمر المحللين / المستثمرين عن طريق البث المباشر على شبكة الإنترنت في تمام الساعة الثانية ظهراً يوم الأربعاء الموافق 12 نوفمبر 2025 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 سبتمبر 2025 .

وتفضلوا بقبول وافر التقدير والاحترام،،،

مرزوق ناصر الخرافي

رئيس مجلس الإدارة

Marzouk Naser Al-Kharafi

Chairman

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

HEISCO

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

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

Third quarter results Ended on	2025-09-30	نتائج الربع الثالث المنتهي في
Board of Directors Meeting Date	2025-11-10	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 التسعة اشهر المقارنة Nine Month Comparative Period	فترة التسعة اشهر الحالية Nine Month Current Per	Statement	البيان
	2024-09-30	2025-09-30		
% 10.11	**5,136,850**	**5,656,277**	Net Profit (Loss) represents the amount attributable to the owners of the parent Company	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم
% 10.11	**28.50**	**31.38**	Basic & Diluted Earnings per Share	ربحية (خسارة) السهم الأساسية والمخففة
% 22.59	**117,438,223**	**143,970,953**	Current Assets	الموجودات المتداولة
% 16.02	**198,144,316**	**229,893,168**	Total Assets	إجمالي الموجودات
% 18.74	**104,918,564**	**124,575,935**	Current Liabilities	المطلوبات المتداولة
% 22.75	**124,491,366**	**152,818,591**	Total Liabilities	إجمالي المطلوبات
% 4.64	**73,648,927**	**77,068,812**	Total Equity attributable to the owners of the Parent Company	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم
% 41.90	**104,609,550**	**148,441,328**	Total Operating Revenue	إجمالي الإيرادات التشغيلية
% 29.77	**8,997,865**	**11,676,397**	Net Operating Profit (Loss)	صافي الربح (الخسارة) التشغيلية
	لا توجد خسائر متراكمة No Accumulated Loss	لا توجد خسائر متراكمة No Accumulated Loss	Accumulated Loss / Paid-Up Share Capital	الخسائر المتراكمة / رأس المال المدفوع

ISO 9001:2015 BUREAU VERITAS Certification
Tel : + 965 24624000 Fax : + 965 24830291 P.O.Box : 21998, Safat 13080, Kuwait
Email : heisco@heisco.com Commercial Reg. No : 20735
Issued and Paid-Up Capital : KD 18,024,151.700 Authorized Capital : KD 22,000,000
www.heisco.com

التغيير (%) Change (%)	الربع الثالث المقارن Third quarter Comparative Period	الربع الثالث الحالي Third quarter Current Period	Statement	البيان
	2024-09-30	2025-09-30		
% 3.76	1,636,243	1,697,724	Net Profit (Loss) represents the amount attributable to the owners of the parent Company	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم
% 3.76	9.08	9.42	Basic & Diluted Earnings per Share	ربحية (خسارة) السهم الأساسية والمخففة
% 40.74	38,666,654	54,419,921	Total Operating Revenue	إجمالي الإيرادات التشغيلية
% 28.05	2,808,983	3,596,972	Net Operating Profit (Loss)	صافي الربح (الخسارة) التشغيلية

- 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 increase in net profit is mainly due to the increase in net operating profit**	• **يعود سبب الإرتفاع فى صافي الربح بشكل رئيسي الى الزيادة فى صافي الأرباح التشغيلية**

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)	391,889	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			
-	لا يوجد/ None			توزيعات نقدية Cash Dividends
-	لا يوجد/ None			توزيعات أسهم منحة Bonus Share
-	لا يوجد/ None			توزيعات أخرى Other Dividend
-	لا يوجد/ None			عدم توزيع أرباح No Dividends
	لا يوجد/ None	علاوة الإصدار Issue Premium	لا يوجد/ None	زيادة رأس المال Capital Increase
-	لا يوجد/ None			Capital Decrease

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

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Deloitte.

Deloitte & Touche
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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 September 2025 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 2025, 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 2025 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
10 November 2025

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 2025

		Kuwaiti Dinars		
	Note	**30 September 2025 (Unaudited)**	**31 December 2024 (Audited)**	**30 September 2024 (Unaudited)**
Assets				
Non-current assets				
Right-of-use asset		3,070,265	1,295,654	1,272,514
Property, plant and equipment	3	78,442,110	77,072,929	76,185,044
Investment securities		1,762,982	1,605,511	1,626,051
Trade and other receivables	4	2,646,858	1,426,922	1,622,484
		85,922,215	81,401,016	80,706,093
Current assets				
Inventories		22,050,699	15,474,550	15,744,594
Contract assets		63,578,119	54,988,521	69,253,995
Trade and other receivables	4	52,954,552	49,114,728	26,842,225
Cash and bank balances	5	5,387,583	3,632,829	5,597,409
		143,970,953	123,210,628	117,438,223
Total assets		229,893,168	204,611,644	198,144,316
Equity and liabilities				
Equity				
Share capital		18,024,152	18,024,152	18,024,152
Statutory reserve		10,946,089	10,946,089	10,946,089
General reserve		11,739,170	11,739,170	10,780,757
Foreign currency translation reserve		(1,533)	628	-
Investment fair valuation reserve		616,188	458,718	479,258
Retained earnings		35,744,746	36,396,872	33,418,671
		77,068,812	77,565,629	73,648,927
Non-controlling interests		5,765	5,375	4,023
Total Equity		77,074,577	77,571,004	73,652,950
Non-current liabilities				
Post employment benefits		20,671,030	18,507,406	17,787,032
Lease liabilities		1,887,209	337,601	87,815
Due to banks	7	4,742,500	1,904,163	364,163
Trade and other payables	8	941,917	1,102,106	1,333,792
		28,242,656	21,851,276	19,572,802
Current liabilities				
Lease liabilities		848,504	858,364	858,364
Contract liabilities		370,264	1,844,099	479,288
Due to banks	7	41,919,840	39,044,075	32,876,125
Trade and other payables	8	81,437,327	63,442,826	70,704,787
		124,575,935	105,189,364	104,918,564
Total liabilities		152,818,591	127,040,640	124,491,366
Total equity and liabilities		229,893,168	204,611,644	198,144,316

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 2025

		Kuwaiti Dinars			
		Three months ended 30 September		**Nine months ended 30 September**	
	Note	**2025 (Unaudited)**	**2024 (Unaudited)**	**2025 (Unaudited)**	**2024 (Unaudited)**
Revenue	9	54,419,921	38,666,654	148,441,328	104,609,550
Cost of sales	10	(50,822,949)	(35,857,671)	(136,764,931)	(95,611,685)
Gross profit		3,596,972	2,808,983	11,676,397	8,997,865
Other income		167,890	144,205	293,983	873,886
General and administration expenses		(1,502,149)	(788,825)	(4,398,673)	(3,106,608)
Investment income		33,670	33,738	118,239	118,272
Expected credit loss on financial assets		53,349	(60,914)	33,185	(170,574)
Finance costs		(569,952)	(478,785)	(1,730,653)	(1,298,194)
Foreign exchange (loss)/gain		26,801	64,185	(1,157)	(111,727)
Profit before contribution to taxes		1,806,581	1,722,587	5,991,321	5,302,920
Contribution to Kuwait Foundation for Advancement of Sciences		(15,233)	(11,649)	(50,405)	(42,878)
National Labour Support Tax		(66,791)	(53,191)	(203,035)	(87,697)
Zakat expense		(26,717)	(21,276)	(81,214)	(35,079)
Net profit for the period		1,697,840	1,636,471	5,656,667	5,137,266
Attributable to:					
Shareholders of the Parent Company		1,697,724	1,636,243	5,656,277	5,136,850
Non-controlling interests		116	228	390	416
		1,697,840	1,636,471	5,656,667	5,137,266
Earnings per share (fils)	11	9.42	9.08	31.38	28.50

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 2025

	Kuwaiti Dinars			
	Three months ended 30 September		**Nine months ended 30 September**	
	2025 (Unaudited)	**2024 (Unaudited)**	**2025 (Unaudited)**	**2024 (Unaudited)**
Net profit for the period	1,697,840	1,636,471	5,656,667	5,137,266
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Foreign exchange differences on translating foreign operations	(1,019)	-	(2,161)	-
	(1,019)	-	(2,161)	-
Items that may not to be reclassified subsequently to profit or loss:				
Changes in fair value of investment securities	109,545	99,276	157,470	(109,544)
	109,545	99,276	157,470	(109,544)
Other comprehensive income/(loss) for the period	108,526	99,276	155,309	(109,544)
Total comprehensive income for the period	1,806,366	1,735,747	5,811,976	5,027,722
Attributable to:				
Shareholders of the Parent Company	1,806,250	1,735,519	5,811,586	5,027,306
Non-controlling interests	116	228	390	416
	1,806,366	1,735,747	5,811,976	5,027,722

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 2025

	Kuwaiti Dinars							
	Equity attributable to the Parent Company's Shareholders						**Non-controlling interests**	**Total**
	Share capital	**Statutory reserve**	**General reserve**	**Foreign currency translation reserve**	**Investment fair valuation reserve**	**Retained earnings**		
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
Net profit for the period	-	-	-	-	-	5,656,277	390	5,656,667
Other comprehensive income/(loss) for the period	-	-	-	(2,161)	157,470	-	-	155,309
Dividends (Note 6)	-	-	-	-	-	(6,308,403)	-	(6,308,403)
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
Balance at 31 December 2023	18,024,152	10,946,089	10,780,757	-	588,802	33,689,023	3,607	74,032,430
Net profit for the period	-	-	-	-	-	5,136,850	416	5,137,266
Other comprehensive loss for the period	-	-	-	-	(109,544)	-	-	(109,544)
Dividends (Note 6)	-	-	-	-	-	(5,407,202)	-	(5,407,202)
Balance at 30 September 2024	18,024,152	10,946,089	10,780,757	-	479,258	33,418,671	4,023	73,652,950

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 2025

	Note	Kuwaiti Dinars **Nine months ended 30 September** **2025 (Unaudited)**	 **2024 (Unaudited)**
Operating activities			
Profit before contribution to taxes and Board of Directors' remuneration		5,991,321	5,302,920
Adjustments for:			
Depreciation	3	4,139,727	3,501,919
Depreciation on right-of-use assets		630,945	626,382
Investment gain		(118,239)	(118,272)
Expected credit loss on financial assets		(33,185)	170,574
Finance costs		1,730,653	1,298,194
Gain on disposal of property, plant and equipment		(213,036)	(792,482)
Provision for post employment benefits		3,530,134	3,512,278
Operating profit before working capital changes		15,658,320	13,501,513
Inventories		(6,576,149)	(2,001,358)
Contract assets		(8,548,823)	(14,897,043)
Trade and other receivables		(5,067,350)	6,206,583
Trade and other payables		17,144,433	9,019,611
Contract liabilities		(1,473,835)	212,953
Post employment benefits paid		(1,366,510)	(5,477,462)
Net cash from operating activities		9,770,086	6,564,797
Investing activities			
Purchase of property, plant and equipment	3	(5,806,439)	(7,411,623)
Proceeds from sale of property, plant and equipment		510,567	917,834
Dividends received		119,814	119,814
Decrease in deposits with banks		198,709	110,830
Net cash used in investing activities		(4,977,349)	(6,263,145)
Financing activities			
Repayment of due to banks		(6,325,152)	(2,911,000)
Proceeds from due to banks		12,039,254	10,776,253
Finance costs paid		(1,399,096)	(1,055,270)
Dividends paid		(6,195,237)	(5,387,550)
Repayment of lease liabilities		(959,043)	(882,227)
Net cash (used in)/from financing activities		(2,839,274)	540,206
Increase in cash and cash equivalents		1,953,463	841,858
Cash and cash equivalents at the beginning of period		3,353,120	4,475,842
Cash and cash equivalents at the end of period	5	5,306,583	5,317,700

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