شركة الصناعات الهندسية الثقيلة وبناء السفن ش.م.ك (عامة)
Heavy Engineering Industries & Shipbuilding Co. K.S.C (Public)
HEISCO

Date: 21st May 2026
Reference: CM/AR/055/2026

التاريخ : 21 مايو 2026
إشارة : CM/AR/055/2026

To: Boursa Kuwait
Greetings,

السادة / شركة بورصة الكويت المحترمين
تحية طيبة وبعد،،،

Subject: Supplementary Disclosure of Analyst conference transcript for the first quarter for the Period Ended on 31/3/2026:

الموضوع: إفصاح عن معلومات جوهرية - إفصاح مُكمل محضر مؤتمر المحللين للربع الأول للفترة المنتهية في 2026/3/31:

Reference to Our disclosure dated 18/5/2026 & article No. (7-8) "Listed Company Obligations" of Boursa Kuwait rulebook.

Attached is The Analyst conference transcript & presentation for the first Quarter for the period Ended on 31/3/2026 that was held through network conference call (Live webcast) at 2:00 pm on Monday 18/5/2026 (local time).

بالإشارة إلى إفصاحنا المؤرخ في 2026/5/18، وإلى المادة (7-8) "إلتزامات الشركة المُدرجة" من كتاب قواعد البورصة.

مرفق طيه محضر مؤتمر المحللين والعرض التقديمي للربع الأول للفترة المنتهية في 2026/3/31 الذي إنعقد عن طريق بث مباشر على شبكة الإنترنت (Live Webcast) في تمام الساعة 2:00 ظهراً يوم الأثنين الموافق 2026/5/18 (وفق التوقيت المحلي).

Yours Sincerely

وتفضلوا بقبول وافر التقدير والاحترام،،،

مرزوق ناصر الخرافي
رئيس مجلس الإدارة
Marzouk Naser Al-Kharafi
Chairman

نموذج الإفصاح المكمل
Supplementary Disclosure Form

Date	**21st May 2026**	**21 مايو 2026**	**التاريخ**
Name of the listed company	Heavy Engineering Industries & Shipbuilding Co. K.S.C. (Public)	شركة الصناعات الهندسية الثقيلة وبناء السفن (ش.م.ك) عامة	**إسم الشركة المدرجة**
Disclosure title *	Supplementary Disclosure of Analyst conference transcript for the first quarter for the period Ended on 31/3/2026	إفصاح مُكمل – محضر مؤتمر المحللين للربع الأول للفترة المنتهية في 2026/3/31 .	**عنوان الإفصاح***
Date of Previous disclosure	**18/5/2026**	**2026/5/18**	**تاريخ الإفصاح السابق**
Developments that occurred to the disclosure	Publish the Analyst conference transcript for the first quarter for the period Ended on 31/3/2026	نشر محضر مؤتمر المحللين للربع الأول للفترة المنتهية في 2026/3/31.	**التطور الحاصل على الإفصاح**
The financial effect of the occurring developments (if any)	Not Applicable	لا ينطبق	**الأثر المالي للتطور الحاصل (إن وجد)**

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

HEISCO

HEAVY ENGINEERING INDUSTRIES & SHIPBUILDING CO. K.S.C (Public)

ANALYST CONFERENCE TRANSCRIPT FOR THE FINANCIAL RESULTS

for 1st Quarter 2026

Monday 18/5/2026

HEISCO Participations:

Mr. Abdulrazzaq Alothman	Corporate Director – General Affairs
Mr. Joseph Mathew	Chief Financial Officer
Mr. Waleed Attiya	Corporate Director – Project Controls
Mr. Ahmed Jenada	Investor Affairs Unit Lead

Conference management:

Ms. Zeina Fares	EFG Hermes

Zeina Fares:

Good Afternoon,ladies & gentlemen.This is Zeina Fares from EFG Hermes Research speaking, and I'd like to welcome you all to HEISCO's 1Q-2026 Results Conference Call.So with us on the line today, we have Mr.Abdulrazzaq Abdulqader - Corporate Director of General Affairs,Mr.Waleed Attiya-Corporate Director, Project Controls,Mr.Joseph Mathew-Chief Financial Officer and Mr. Ahmed Mohamed Jenada-Investor Affairs Unit Lead.Without further delay,I'll hand over the call to management.

Waleed Attiya:

Hello,Everyone.Welcome to Q1 2026 Results Meeting.This is Waleed Attiya,Corporate Director-Project Controls in this quarter before I hand over the mic to our CFO, Mr. Joseph Mathew. For those who are joining us for the first time,I would like to elaborate more about HEISCO's business.HEISCO has a diversity of business lines from shipyard to oil and gas construction, industrial maintenance, fabrication, galvanization, scaffolding services, trading, testing and calibration and onshore and offshore operations. We continue to our strategy to expand in Saudi Arabia.

Currently,we have three ongoing projects,two projects with ARAMCO and one project with TR a Spanish company with Saudi Electricity.We are doing our best to get,we are bidding for more projects and still yet we are waiting for the results of these tenders.So currently, in Saudi Arabia, we have only,three ongoing projects now. Also,we are maintaining our approvals with Saudi Energy and our pre-qualifications with many other Saudi companies.

Also our subsidiary, we secured approval from Saudi ARAMCO,NEOM and Red Sea Global to enable to have direct bids and facilitating our strategic expansion in Saudi Arabia.Also our engineering branch in India is doing well.It's serving our business in Kuwait, and yet to take external jobs with external clients.But currently,it's serving our internal projects.

Also,we are securing pre-qualification approval from Qatar Energy for the manufacturing of storage tanks,pressure vessels and columns and from BAPCO in Bahrain for general mechanical and shutdown maintenance services and petroleum equipment from Oman and OQ in Oman for strengthening our regional presence in Gulf.Also HEISCO and GD have registered with Oman Tender Board.We will continue to establish our alliances with the major EPC contractors to enhance the project execution.

As you know, for the ongoing situation in Gulf, we have some impact on the ongoing projects.So most of the current contracts, we have some delay in progress,which will lead to shifting of revenue from this year to next year business line, we are facing also another situation because if you look at three main jobs from Iraq and yet the vessels are being mobilized.Of course, it is not mobilized due to the current situation.So we will see next quarter what will be going on,and we will update you accordingly. Now I will hand over the mic to our CFO,Mr. Mathew, to elaborate about our financial results.

Joseph Mathew:

Thank you,Mr.Waleed,and Good Afternoon,Everyone.We appreciate you all joining us today,and I’m pleased to take you through our Q1 2026 financial results and provide the outlook for the rest of this financial year.Before we begin,please note that today’s discussion will include forward-looking statements, which reflect management’s current views and assumptions.These statements are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied.

We undertake no obligation to update or revise these statements, except as required by the applicable law.Now getting on to the slide at a glance.For the first time in HEISCO’s history, we are seeing negative red arrows all around and revenue has declined by 8% quarter-over-quarter, primarily due to slowdown and deferment of certain oil and gas projects amid the ongoing uncertainty prevailing across the region.Delayed project execution impacted overall business activity during the quarter.

The net profit has declined by 31% Q-o-Q, mainly due to overall lower manpower productivity,delays in commencement of new Iraqi vessels at the shipyard and the margin pressure in construction business line in Saudi Arabia.In addition, the prevailing regional instability continued to weigth on overall business performance during the period.These factors collectively impacted operational efficiency and profitability for the quarter. EBITDA recorded a marginal decline of 8% Q-o-Q, reflecting related resilience of the company’s core operating performance despite the challenging business environment during the quarter.

However,net profit declined more sharply by 31% Q-o-Q, primarily due to higher depreciation charges and increased finance costs incurred during the current period.The combined impact of these non-operating expenses,together with ongoing regional uncertainties affecting project execution and operational efficiency weighed significantly on overall profitability.EPS,the decrease is directly attributable to the drop in net profit during the period. Assets, the 9% increase in contract assets was primarily attributable to higher work in progress, balances and deferred costs together with an increase in inventory levels.

The increase in contract assets mainly relates to MEW contracts where invoicing is tied to the achievement of specific project milestones typically at more advanced stages of the contract execution. As a result, revenue recognition proceeds billing during the earlier phases of the projects. In addition,contract assets also include amortization of significant manpower recruitment and mobilization costs incurred for long-term manpower supply projects, which are recognized over the duration of the respective contracts.

Inventory level increased primarily due to the procurement and stocking of pipes, valves and fittings for the KOC flowline project, along with auxiliary materials in addition to cables and related accessories for MEW-IHI JV project. Equity, change in equity is a direct result of the net profit for the period after accounting for dividends distributed to shareholders.Liability, the increase in liability was primarily driven by trade payables, bank overdraft and employee and service benefits.

Trade payables are largely short term and are offset in subsequent months underpinned by cash collections from last quarter billings.Borrowings, the increase in borrowing was primarily due to higher bank overdrafts and promissory notes,reflecting short-term funding requirements in Saudi Arabia and Kuwait.These borrowings are managed in-line with our cash flow from operations,supported by collection from project billing ensuring sufficient liquidity to meet operational and project-related obligations.

Moving on to the next slide.This depicts the revenue breakdown by business verticals,highlighting the contribution of each segment to our overall performance in Q1.Starting with oil and gas, revenue dropped by 7.61% due to slower-than-anticipated progress resulting from regional instability and unforeseen temporary site closures.Shipyard revenue increased by 22%,reflecting steady progress on ongoing projects despite some softness in the activity expected towards the year-end.

In contrast,offshore revenue declined by 28%,primarily due to slower project activity,vessel movements and the completion of major contracts during the prior year.This slide represents the income statement for 2025 compared with the previous year, providing a clear view of revenue, cost and profitability trends.The quarter’s gross profit margin came at 5% compared to 8.4% Q-o-Q.

The contraction in gross margin is primarily attributable to reduced productivity resulting from temporary project shutdowns amid ongoing regional tensions and instability,coupled with margin pressure in the Kingdom of Saudi Arabia as well as delays in the award of commencement of new projects.Net profit margin came at 2.55%,down from 3.42% Q-o-Q,following the same factors that impacted the gross margin.

EPS for Q1 came in at 6.13 fils,down from 8.94 fils in the corresponding period last.Now look at the key financial ratios.The ongoing conflict in the Middle East has adversely impacted overall performance during the quarter as reflected across all key financial ratios.Margin pressure, as I said, in Kingdom of Saudi Arabia has further contributed to the decline in results.However, management views this as a temporary phase and expects performance to improve once regional conditions stabilize.

Leverage ratios have increased as we deploy debt to accelerate growth initiatives.The rise in debt metrics aligns with our growth strategy, positioning the company for higher future results. Our liquidity profile remains resilient, providing flexibility to support continued scale. Slide 14 shows a high-level view of the financial position and cash flow. The factors driving the increase in assets and liabilities were discussed in the earlier slide. The common size analysis of financial position is provided to facilitate quick assessment of asset allocation,liability structure and equity process.

Now having an outlook for 2026,the rest of 2026.Once again,please note that management does not provide forward-looking financial figures.This information presented is intended as a general guidance only.The current backlog stands at KWD 865 million versus KWD 658 million in Q1 of ‘25. With L1 contracts and awards trending, an additional KWD 77 million will bring the total backlog once signed to KWD 942 million.In addition, we are envisaging securing high potential contracts worth KWD 210 million, further strengthening our growth pipeline.

Moreover, the company is actively evaluating tenders valued at around KWD 550 million,reflecting a robust pipeline for future opportunities.These initiatives position us well for continued expansion and revenue visibility.The ongoing conflict in the Middle East has adversely impacted overall performance during the quarter as reflected across all financial ratios. Margin pressure in the Kingdom of Saudi Arabia has further contributed to the decline in sales.

Looking ahead,the company anticipates continued near-term challenges during the current period and the coming months until the Middle East crisis stabilizes and supply chain and logistics disruptions normalize.The prevailing situation may partially impact the revenue and profitability during Q2.However, management expects a gradual recovery in the latter part of the year,which should compensate for the time and financial impact experienced during this turbulent time.

As we move ahead,we expect revenue growth to continue,supported by the ramp-up of newly awarded projects and steady execution of our existing backlog. While margins may experience some pressure in certain segments during the early stage of project execution, we anticipate overall profitability to improve as operations stabilize.We remain focused on disciplined working capital management and maintaining strong liquidity to support ongoing project execution and strategic growth initiatives.With that, I conclude the presentation.Thank you, everyone.And now we are happy to take any questions you may have.

Zeina Fares:

Thank you for the presentation.We will now open up the floor for questions.So as a reminder, to ask a question, please use the raise hand function or you can write your question through the chat box. We already have a few questions that have come in through the chat.So we can take them one by one.Our first question from Anas says, what’s the outlook on net profit margin given the recent regional geopolitical development?

Joseph Mathew:

According to the plan,net margin was anticipated to be around 4%.But currently, we may not achieve the 4%.So we should be somewhere in the close between 3% to 4%.

Zeina Fares:

Okay.Our follow-up question from Anas says,can you discuss about your Saudi business?How much does it contribute to revenue? And are operations currently profitable? So what are the profit margins in comparison to Kuwait’s margins?

Waleed Attiya:

Okay.Regarding our Saudi branch, it has significant impact on the company revenue.It produced around 14% in the total group revenue in 2025.But still the margin of Saudi has a negative impact on the company because the branch is still in the buildup phase in a new country.That’s why the margin of Saudi has a negative impact on the total margin.

Zeina Fares:

I think we can’t hear you anymore.I think you’ve gone on mute.We can hear you again,yes.

Waleed Attiya:

Can you hear me ?

Zeina Fares:

Yes.

Waleed Attiya:

Yes.I don’t know up to where you heard me,but I was explaining that our branch in Saudi has a major contribution in the company revenue.It represents around 14% in 2025 revenue,representing 14% of the total group revenue.But the margin has a negative impact on the overall group margin because the branch in Saudi is still in the buildup phase in a new country. That’s why the contribution of our branch in Saudi, the contribution of margin is not quite enough, but the contribution in revenue is at 14%.

Zeina Fares:

Okay.Our next question comes from Faizur Haseen.He wants specific information about different areas.The first is your expected revenue growth in oil and gas, shipyard and offshore in 2026.

Waleed Attiya:

2026 figures.We can elaborate about 2026 plan.But due to the current situation,situation might be slightly changed and some revenue could be shifted from this year to the next year. So for example, if our figures in 2026, our planned figure for 2026 in construction, oil and gas, it was KWD 74 million; for maintenance operation,it was KWD 95 million for the shipyard,it was KWD 11.2 million.Our Gulf Dredging KSA Branch was KWD 18 million and the revenue in Saudi Arabia was KWD 23 million. This is the revenue distribution of 2026 plan.

Zeina Fares:

Okay.Our next question is,can you share CapEx guidance in the future?

Waleed Attiya:

We will not have much more CapEx to be added.We will continue the same trend because of the current situation in Gulf.And also because of the projects that we are pricing has no major CapEx figures.So we will maintain our same level of CapEx.There will be no major jump.

Zeina Fares:

Okay. The next question he has, is the impact of regional conflict on your financials?

Joseph Mathew:

Regional conflict on financials will depend on how long this conflict can go on. No one can give a firm or generic guidance on this. It is just a general outline we can give, which I have already explained when I was doing the financial presentation. Nothing more we can add at this point in time.

Zeina Fares:

Okay. The next question is, what's the reason for the decrease in revenues this quarter for industrial and the increase in SG&A expenses?

Joseph Mathew:

The decrease I have already stated in the presentation that the decrease has been due to the lower productivity because of the site conditions and site closures, which was happening intermittently during the Q1. And regarding the SG&A increase, it is basically the Saudi overhead, Saudi office is being set up. It is fully getting matured. So we are having more recruitment, more manpower. So this is the main reason for the SG&A increase.

Zeina Fares:

Our next question from Anas says, how resilient is the supply chain to disruptions? And what are three out of five destinations in terms of material labor import? Do you have any mitigation strategies to counter the potential disruptions of these materials?

Joseph Mathew:

Repeat the question, please. Okay.

Waleed Attiya:

Okay. Due to the current geopolitical situation in the region, it has significantly disrupted the global and regional supply chain. The key risks and issues identified are as follows: delays in project schedules due to rerouting and congestion at alternative ports, increased transit times for imported materials from key sourcing countries, limited vessel availability and constrained shipping space allocation, increase in freight charges, including war risk surcharges and marine insurance premiums, delay in customs clearance and transship activities at certain regional ports, potential shortage of imported materials, particularly long lead items.

These challenges have impacted the following points.These challenges have impacted the project schedules,availability of materials for operations, the inventory replenishment cycles, the procurement lead times for strategic materials. Furthermore, several suppliers and freight forwarders have already notified the company of increased logistic costs due to alternative routing and additional insurance requirements.Our list of orders currently in transit to Kuwait as of end of April has been closely monitored considering the evolving situation.

The shipments are handled via DHL,for some of them, of course.And it’s noted that certain orders are being delivered.That’s it.For the resilience in supply chain to disruption,since the beginning of the original expansion,the company has implemented several mitigation measures to minimize operational disruption and maintain continuity of supply.This is including the continuous monitoring of logistics and shipping developments,daily coordination with suppliers,freight forwarders and shipping lines,reviewing the stock levels of critical consumables and operational materials and replenishing the inventory stock for the available material stock in the market.

We are also prioritizing procurement of strategic and long lead items while exploring alternative shipping routes and transship ports.We are evaluating and expediting shipment options for Asian materials where feasible in coordination with the operations.We are identifying alternative suppliers and regional sourcing options for critical items.We are coordinating closely with operations regarding critical material requirements and priorities.The company’s major sourcing locations include China, India, Europe, United States, United Arab of Emirates and Saudi Arabia.

Other Gulf countries and international markets depend on operational and project requirements. To minimize the disruption and ensure business continuity, the following strategies have been implemented.First, diversification of sourcing locations to reduce dependency on a single market; second, identification of alternative regional suppliers where technically acceptable; third, early procurement planning for long lead materials in coordination with operations.

Number four,maintaining safety stock levels for critical consumables and fast-moving items by increasing the minimum-maximum stock of TMIAs from three months to six months,also placing orders for the ex stock material and collecting the remaining parties in the planned orders.Number six, continuous supplier and logistic risk assessment and also finally, global coordination of operations to prioritize critical material requirements.

Zeina Fares:

Okay.Our next question says how have things improved in terms of overall operations in the second quarter compared to last year,1Q ‘26 versus 1Q 2025?

Waleed Attiya:

Improved. You said Improved?

Zeina Fares:

Yes. Question from Anas.

Joseph Mathew:

No.I mean the question is not clear.Is he asking that is 2026 Q1 a better quarter than 2025?

Waleed Attiya:

Things improved in terms of...

Joseph Mathew:

Okay.The question is how things improved in terms of overall operation in 2026 compared to March 2026.

Waleed Attiya:

Second Quarter.

Joseph Mathew:

No, still we are not,No,the situation remains the same.There is no improvement.

Zeina Fares:

Okay.Most of the other questions have already been answered.So the final question we have also from Anas,how much of the cost escalation can be passed on to clients?

Waleed Attiya:

Well, of course,it depends on our contracts and coordination with clients.Wherever applicable, claims will be raised to clients to cover the increase in costs that we are having in material and other items.But still, it’s too early that we can elaborate more about this topic now.We will wait for the second quarter to see what will be best, but we already opened topics with our clients and claims will be raised wherever applicable.

Zeina Fares:

Perfect.Thank you.So it looks like we have no further questions.So I’ll hand the call back over to management for closing remarks.

Waleed Attiya:

Okay.Thank you, everyone, for your contribution and looking forward to meet you again in the second quarter.Hopefully, the second quarter will be better than first quarter.Thank you so much.

Zeina Fares:

Thank you, management for your time. Thank you to everyone who attended today’s call. This concludes the call. You may now disconnect.

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

HEAVY ENGINEERING INDUSTRIES & SHIPBUILDING CO. K.S.C.(Public)

HEISCO

3M - 2026 I Virtual Summit

INVESTOR PRESENTATION

Agenda

Disclaimer

FORWARD - LOOKING STATEMENTS

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HEISCO’s Vision

To become the customers’ first preferred Company for Shipbuilding, Ship Repair & Maintenance, Fabrication, Oil & Gas Construction, Civil Works, Industrial Maintenance, Dredging and Offshore services in Kuwait and other Middle East and North African regions.

HEISCO’s Mission

HEISCO aims to expand its business operations, focusing on countries such as Saudi Arabia, Qatar, Oman, Bahrain and Iraq. The company intends to identify potential business opportunities in these regions in the Oil & Gas, Refineries & Power sectors in Civil, Mechanical, Electrical & Instrumentation Construction and Fabrication Services

About HEISCO

HEISCO is a dynamic group of companies committed to maintaining sustained growth by meeting its customers' schedules and quality requirements. HEISCO provides its customers value-added services at competitive prices by evolving efficient cost-control measures and regularly upgrading our resources.

HEISCO's activities are performed through a wide range of fields :

- Shipyard
- Oil & Gas Construction
- Industrial Maintenance
- Fabrication Services
- Trading
- Testing & Calibration
- Quality Control & Testing
- Scaffolding Services
- Galvanizing Plant
- Onshore & Offshore (through Gulf Dredging & General Contracting Co. K.S.C. (Closed) – subsidiary company.
- Technical Specialized Manpower Supply (through HEISCO for Technical Specialized Manpower Supply Co. W.L.L. - subsidiary company)

HEISCO/Gulf Dredging has branches in Iraq and Kingdom of Saudi Arabia to expand its services and take advantage of emerging markets in the region.

HEISCO's Strategy

Introduction

This report provides an overview of HEISCO Group's key activities, including business updates, upcoming projects, and company strategic initiatives. HEISCO, as a group, achieved significant milestones in revenue growth, project execution, and operational efficiency, positioning us for continued success in the coming quarters.

HEISCO continues to strengthen its market presence across the Gulf region, with a strategic focus on expanding operations, securing key approvals, and forming strategic alliances. The company is actively pursuing projects in various sectors, including oil & gas, refineries, power, and infrastructure. With a strong commitment to regional growth, HEISCO has extended its footprint into Saudi Arabia and pursuing relevant qualifications in Qatar, Oman, Bahrain, and Iraq with a view to enhancing its construction, maintenance, and fabrication capabilities.

By fostering key partnerships with EPC contractors and leveraging strategic initiatives, HEISCO remains well-positioned to capitalize on emerging opportunities and drive sustainable growth across its target markets.

HEISCO’s Strategy

Business Updates

Regional Expansion Strategy

HEISCO strives to expand into key markets across Kuwait, Saudi Arabia, Qatar, Oman, Bahrain, Iraq and India focusing on Civil, Mechanical, Electrical, and Instrumentation Construction, maintenance, Engineering as well as Fabrication services within the Oil & Gas, Refineries, and Power sectors.

Expansion in Saudi Arabia

HEISCO expanded operations into Saudi Arabia, enhancing its construction capabilities in the region aligned with the Kingdom’s Vision 2030 development initiatives. Supporting its vision, we prioritize the recruitment and development of Saudi nationals in our workforce by working closely with the Human Resource Development Fund (HRDF) and other government agencies. Timely and efficient resource mobilization, including equipment and materials, is crucial for successfully completing construction projects. A dedicated logistics team will ensure timely resource delivery, prioritizing local suppliers to reduce costs and support local businesses.

Key Approvals in KSA: HEISCO's KSA Branch has received approvals from prominent entities, including Saudi Aramco, Sabic, Saudi Energy (SE), Red Sea Development Co., National Water Co. (NWC), NEOM, MAADEN,SASRE, WTTCO, Sadara Chemical Co., and Petro Rabigh..

HEISCO's Strategy

- **The Saudi Energy (SE) approvals:** SE has granted HEISCO Pre- Qualification approvals for the supply, installation, maintenance, and repair of heat exchangers following a successful technical evaluation and facility inspection in Saudi Arabia and Kuwait. In addition, HEISCO has recently obtained pre-qualification approval for tank construction services.

  This approval adds to our existing SE pre-qualifications for mechanical works (pumps), various civil works, and gas pipeline maintenance and installation, further reinforcing our capability to deliver integrated, multidisciplinary solutions.

- **Strategic Initiatives:** An experienced consultant has been engaged to obtain Non-GBS Scaffolding Services PQ approval from Saudi Aramco, supporting our expansion strategy in Saudi Arabia. A storage yard has been completed and is currently operational. Submission of the required documents and Saudi Aramco's facility inspection have been completed and currently awaiting approval of the Non-GBS Specialized Scaffolding Contractors' Qualification.

- HEISCO has appointed ALSAHAB Energy & Investment SPC as its exclusive agent to secure new opportunities in Oman. The initial target will be on Specialized contaminated Soil and Sludge Treatment projects for Petroleum Development Oman.

<u>Expansion of Subsidiary Operations</u>

- **Gulf Dredging (GD):** Our subsidiary, GD, has secured approvals from Saudi Aramco, NEOM, and Red Sea Global, enabling direct bidding and facilitating strategic expansion in KSA. Due to logistical constraints, GD is currently targeting offshore and marine construction projects in the Eastern province and plans to move to other regions after establishing a stronger base. GD has secured the requisite Saudi Contract Authority Certificates from the relevant authority.

HEISCO's Strategy

- **Engineering Hub in India:** HEISCO established a subsidiary, "HEISCO Engineering India Pvt. Ltd." in India headquartered in Chennai to strengthen the company's EPC capabilities and delivering high-quality engineering solutions across multiple industries while supporting its expanding business activities.

<u>Key Approvals in Other Markets</u>

- HEISCO has secured pre-qualification approvals from Qatar Energy for the manufacturing of storage tanks, pressure vessels, and columns; from Bapco in Bahrain for general mechanical and shutdown maintenance services; and from Petroleum Development Oman (PDO) and OQ in Oman, further strengthening its regional presence and operational capabilities across the GCC.

- HEISCO and GD have registered with the Oman Tender Board to expand operations through a client-focused marketing strategy.

<u>Strategic Partnerships:</u>

- HEISCO continues to establish key alliances with EPC contractors to enhance project execution and ensure effective collaboration. These partnerships play a crucial role in successfully achieving project objectives across its expanding regional operations.

PERFORMANCE HIGHLIGHTS – CONSOLIDATED

KD' Million
EPS in Fils

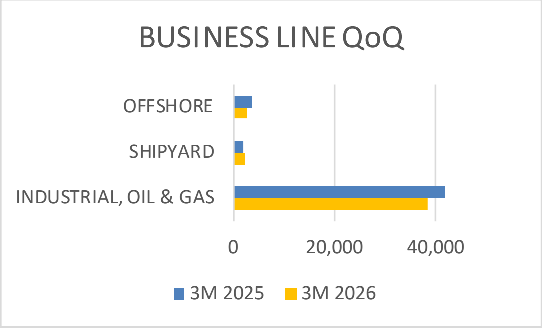
REVENUE	NET PROFIT	EBITDA	EPS
↓-8%	↓-31%	↓-8%	↓-31%
43.36 3M-2026	1.10 3M-2026	3.52 3M-2026	6.13 3M-2026
47.11 3M-2025	1.61 3M-2025	3.87 3M-2025	8.94 3M-2025

ASSETS	EQUITY	LIABILITIES	BORROWINGS
↑9%	↓-8%	↑15%	↑35%
259.65 3M-2026	78.02 3M-2026	181.63 3M-2026	66.18 3M-2026
239.28 FY-2025	81.21 FY-2025	158.07 FY-2025	49.19 FY-2025

FINANCIAL OVERVIEW - REVENUE BY BUSINESS LINE

KD '000

BUSINESS LINE	3M 2026	3M 2025	% Change
INDUSTRIAL, OIL & GAS	38,456	41,624	-7.61%
SHIPYARD	2,347	1,926	21.88%
OFFSHORE	2,566	3,565	-28.02%
TOTAL REVENUE	**43,369**	**47,114**	



FINANCIAL OVERVIEW - STATEMENT OF INCOME

	3M-26	3M-25	3M-26	3M-25
Revenue	43,369,277	47,114,483	100.00%	100.00%
Cost of sales	(41,166,341)	(43,145,304)	-94.92%	-91.58%
Gross Profit	**2,202,936**	**3,969,179**	**5.08%**	**8.42%**
Other operating income	1,203,143	108,785	2.77%	0.23%
General and administrative expenses	(1,710,882)	(1,454,217)	-3.94%	-3.09%
Investment income / (loss)	(563)	(497)	0.00%	0.00%
Reversal/(charge) of expected credit loss on financial assets	90,628	(244,363)	0.21%	-0.52%
Finance costs	(644,903)	(577,217)	-1.49%	-1.23%
Foreign exchange gain/(loss)	44,834	(92,292)	0.10%	-0.20%
Profit before contribution to taxes	**1,185,193**	**1,709,378**	**2.73%**	**3.63%**
Contribution to Kuwait Foundation for Adv. of Sciences	(11,852)	(12,649)	-0.03%	-0.03%
National Labour Support Tax	(48,084)	(60,581)	-0.11%	-0.13%
Zakat expense	(19,234)	(24,232)	-0.04%	-0.05%
Net profit for the period	**1,106,023**	**1,611,916**	**2.55%**	**3.42%**

	3M-26	3M-25
Earning per share (fils)	**6.13**	**8.94**

FINANCIAL OVERVIEW - RATIO ANALYSIS

KEY RATIOS - 3M 2026

PROFITABILITY	3M -26	3M-25	CHANGE	FY-25
Gross Profit %	5.08%	8.42%	↓(3.34)%	8.97%
EBIT %	4.22%	4.85%	↓(0.63)%	6.24%
EBITDA %	8.13%	8.12%	↑0.01%	9.40%
Net Profit %	2.55%	3.42%	↓(0.87)%	4.77%
ROA	0.46%	0.78%	↓(0.32)%	4.42%
ROE	1.42%	2.03%	↓(0.61)%	12.09%
ROCE	1.71%	2.22%	↓(0.50)%	11.70%

LEVERAGE	3M -26	FY-25	CHANGE
Total Debt % of Total Assets %	69.95%	66.06%	↓3.89%
Debt to Equity	2.33	1.95	↓0.38
Interest Coverage Ratio	2.84	5.51	↓(2.67)

LIQUIDITY	3M -26	FY-25	CHANGE
Current Ratio	1.13	1.18	↓(0.05)
Quick Ratio	0.94	1.00	↓(0.06)
Working Capital / Total Assets Ratio	0.08	0.10	↓(0.02)

FINANCIAL OVERVIEW - FINANCIAL POSITION / CASH FLOW

Consolidated Statement of Financial Position - 31 Mar 2026

	Kuwaiti Dinars	
	3M - 26	FY-25
NON-CURRENT ASSETS	87,096,008	86,070,227
CURRENT ASSETS	172,563,273	153,219,660
TOTAL ASSETS	259,659,281	239,289,887
NON-CURRENT LIABILITIES	28,838,626	28,535,472
CURRENT LIABILITIES	152,799,389	129,544,011
TOTAL LIABILITIES	181,638,015	158,079,483
EQUITY	78,021,266	81,210,404
TOTAL EQUITY AND LIABILITIES	259,659,281	239,289,887

Consolidated Statement of Cash Flow - 31 Mar 2026

	Kuwaiti Dinars	
	3M - 26	3M - 25
PROFIT BEFORE CONTRIBUTION TO BOD REMUNERATION	1,185,193	1,709,378
ADJUSTMENTS FOR NON-OPERATING / CASH	3,585,066	3,319,245
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	4,770,259	5,028,623
CHANGES IN WORKING CAPITAL	(19,202,334)	(5,860,542)
NET CASH GENERATED FROM OP ACTIVITIES	(14,432,075)	(831,919)
NET CASH USED IN FROM INVESTING ACTIVITIES	(2,383,053)	(2,201,260)
NET CASH USED IN FROM FIN. ACTIVITIES	16,444,421	6,172,302
INCREASE IN CASH & CASH EQUIVALENTS	(370,707)	3,139,123
CASH & CASH EQUIV. AT BEGINNING OF PERIOD	4,225,255	3,353,120
CASH & CASH EQUIV. AT PERIOD END	3,854,548	6,492,243

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	3M-2026	FY-2025	3M-2026	FY-2025
Non-Current Assets				
Right–of-use-assets	2,651,209	2,856,690	1.02%	1.19%
Property, plant and equipment	79,386,717	78,554,936	30.57%	32.83%
Investment securities	1,951,260	1,776,673	0.75%	0.74%
Trade and other receivables	3,106,822	2,881,928	1.20%	1.20%
Total Non-Current Assets	**87,096,008**	**86,070,227**	**33.54%**	**35.97%**
Current assets				
Inventories	29,055,602	23,698,547	11.19%	9.90%
Contract assets	86,581,492	59,654,127	33.34%	24.93%
Trade and other receivables	52,990,631	65,560,731	20.41%	27.40%
Cash and bank balances	3,935,548	4,306,255	1.52%	1.80%
Total Current Assets	**172,563,273**	**153,219,660**	**66.46%**	**64.03%**
TOTAL ASSETS	**259,659,281**	**239,289,887**	**100.00%**	**100.00%**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

EQUITY AND LIABILITIES	3M-2026	FY-2025	3M-2026	FY-2025
Equity				
Share Capital	18,024,152	18,024,152	6.94%	7.53%
Bonus share pending allocation	1,802,415		0.00%	0.00%
Statutory reserve	10,946,089	10,946,089	4.22%	4.57%
General reserve	12,789,976	12,789,976	4.93%	5.34%
Foreign currency transalation reserve	(6,161)	(42,383)	0.00%	(0.02)%
Treasury shares reserve	(276)	(276)	0.00%	0.00%
Investment fair valuation reserve	804,466	629,880	0.31%	0.26%
Retained earning	33,654,265	38,857,404	12.96%	16.24%
Non-controlling interests	6,340	5,562	0.00%	0.00%
Total Equity	**78,021,266**	**81,210,404**	**30.05%**	**33.94%**
Non-Current Liabilities				
Post employment benefits	22,256,646	21,427,061	8.57%	8.95%
Lease liabilities	1,824,854	1,930,979	0.70%	0.81%
Due to banks	3,902,500	4,322,500	1.50%	1.81%
Trade and other payables	854,626	854,932	0.33%	0.36%
Total Non-Current Liabilities	**28,838,626**	**28,535,472**	**11.11%**	**11.93%**
Current Liabilities				
Lease liabilities	848,504	848,504	0.33%	0.35%
Contract liabilities	220,920	474,434	0.09%	0.20%
Due to banks	62,284,885	44,871,332	23.99%	18.75%
Trade and other payables	89,445,080	83,349,741	34.45%	34.83%
Total Current Liabilities	**152,799,389**	**129,544,011**	**58.85%**	**54.14%**
Total Liabilities	**181,638,015**	**158,079,483**	**69.95%**	**66.06%**
Total Equity and Liabilities	**259,659,281**	**239,289,887**	**100.00%**	**100.00%**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THANK YOU

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