

Issued by the Board of Directors**Mekdam Holding Group Reports Strong Revenue Growth of 25% and Confirms the Resilience of Its Business Model Amid Regional Challenges****Doha – Qatar | April 29, 2026:**

Mekdam Holding Group announced its consolidated financial results for the first quarter ended March 31, 2026, recording stable operational performance and notable revenue growth despite challenges arising from geopolitical developments and supply chain disruptions. The Board of Directors, chaired by Sheikh Mohamed bin Nawaf NBK Al Thani, approved these results, which reflect the Group's ability to adapt to changing conditions, sustain its growth trajectory, and strengthen its financial position despite ongoing cost pressures and disruptions in shipping and logistics.

Chairman's Statement

The Chairman affirmed that the first quarter results reflect Mekdam's ability to strike a clear balance between growth and operational discipline, noting that the current pressures are temporary in nature. He added that the Group continues to execute its projects efficiently, supported by a flexible business model while maintaining operational stability. He also expressed confidence in Mekdam's ability to capitalize on any improvement in the business environment in the coming period, reaffirming the Group's ongoing commitment to delivering sustainable value to shareholders through a balanced approach that integrates growth, risk management, and financial discipline.

Financial Performance: Strong Revenue Growth with Measured Operational Stability

The Group reported revenue of QAR 174.8 million for the first quarter of 2026, compared to QAR 139.9 million for the same period last year, representing growth of approximately 25%. This performance was primarily driven by the strength of the Technology Services segment, alongside stable contributions from the Manpower and Engineering Projects segments. On the profitability front, gross profit reached QAR 26.2 million, maintaining levels close to the previous year despite increased operating costs—particularly related to materials, subcontractors, and shipping—due to ongoing supply chain disruptions. Operating profit stood at QAR 11.1 million, compared to QAR 13.5 million in the comparable period, impacted by higher general and administrative expenses as well as increased operational provisions linked to risk management. Net profit amounted to QAR 8.5 million, compared to QAR 11.4 million in the same period last year, mainly due to higher financing costs as the Group increased its reliance on bank facilities to support working capital and fund ongoing projects, some of which experienced delays due to geopolitical conditions. Despite these pressures, the Group continues to deliver solid profitability levels that reflect the resilience of its business model and its ability to adapt to a changing operating environment, while maintaining strong revenue growth momentum.

Issued by the Board of Directors**Cash Flows and Liquidity: Clear Improvement in Earnings Quality**

At the liquidity level, the Group demonstrated a notable improvement in the quality of earnings and cash flows, recording positive net operating cash flows of QAR 21.2 million during the first quarter of 2026, compared to the same period last year. This reflects a clear enhancement in working capital management efficiency. This performance was driven by improved receivables collection, alongside more effective management of payables, enabling the conversion of operational growth into actual cash flows that support business sustainability. On the financing side, the Group adopted a measured increase in the use of bank facilities to support working capital and fund ongoing projects, in line with the current operational phase, while maintaining comfortable liquidity levels and a strong ability to meet its obligations. Overall, these indicators reflect a continued improvement in cash performance and confirm that the operational foundation of earnings remains solid, despite temporary pressure on margins.

Financial Position: A Solid Foundation Supporting Continuity and Growth

Mekdam Holding Group maintained a strong financial position as of the end of the first quarter of 2026, with total assets reaching approximately QAR 589 million, supported by growth in operating assets—particularly contract assets, which exceeded QAR 204 million. This reflects the continued pace of project execution and provides clear visibility on future revenue. Current assets also recorded a notable increase, driven by higher inventory levels and advances to suppliers and subcontractors, in line with the expansion of business activities and the acceleration of project execution during the period. On the other hand, current liabilities increased, particularly short-term financing and payables, as part of the normal management of working capital and the funding of operational activities, reflecting the project-based nature of the Group's business. With respect to shareholders' equity, total equity amounted to approximately QAR 255.4 million, compared to QAR 270.4 million at the end of 2025. This decrease is primarily attributed to cash dividend distributions during the period. Meanwhile, share capital increased to QAR 170 million, in a step that strengthens the Group's capital base and supports its ability to finance future growth plans. Overall, these indicators reflect a balanced approach to financial structure management, maintaining a prudent equilibrium between growth, liquidity, and financial stability.

Operational Excellence: Strong Business Momentum and Resilience in the Face of Challenges

Mr. Ehab Naser, Group CEO, highlighted the strength of the Group's operational performance, emphasizing its ability to sustain steady growth despite regional challenges. He noted that during the period, the Group successfully secured new contracts worth approximately QAR 120 million, reflecting its competitiveness and the continued demand for its services even within a complex geopolitical environment. He further explained that the project backlog reached approximately QAR 3.1 billion, underscoring the scale of operations and strengthening the Group's market position.

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At the same time, the remaining work, estimated at around QAR 1.6 billion, provides a high degree of visibility and predictability of revenue over the medium term, supporting financial stability. Regarding growth prospects, he indicated that the Group holds tenders under evaluation valued at approximately QAR 2.1 billion, supported by a historical conversion rate of around 25%, which enhances the likelihood of securing additional contracts in the coming periods. The Group also maintains a customer retention rate of approximately 90%, reflecting the quality of its services and the strength of its long-term relationships.

On the operational front, the Group continued to execute its projects efficiently during the first quarter of 2026, maintaining operational stability despite challenges related to supply chain disruptions and rising costs. Management addressed these developments through a proactive approach, including the rescheduling of certain projects in line with supply conditions and strengthening coordination with suppliers and clients to ensure continuity of supply. As part of its efforts to enhance financial performance, the Group focused on improving working capital management by accelerating collections and optimizing payables management, which positively impacted cash flows. Overall, this performance demonstrates Mekdam's ability to adapt to a dynamic operating environment while maintaining business continuity and strengthening its readiness to capture future growth opportunities.

Outlook: Positioned for the Next Phase of Growth

Mekdam Holding Group views the current phase as a temporary operating condition, amid ongoing geopolitical impacts on supply chains and operating costs, while reaffirming that its operational and financial fundamentals remain strong and stable. With any anticipated improvement in regional conditions, management expects a rebound in investment activity across the energy, infrastructure, and technology sectors which are the core pillars of the Group's business. Supported by a solid project backlog and accumulated operational expertise, Mekdam is well positioned to capitalize on these opportunities and drive growth in the coming period. At the same time, the Group continues to focus on enhancing operational efficiency, optimizing cost management, and strengthening its execution capabilities, thereby improving its ability to translate operational growth into more stable financial returns over the medium and long term.

A Strong Commitment to Shareholders' Equity Value

Mekdam Holding Group reaffirms its ongoing commitment to delivering sustainable value to its shareholders by maintaining financial discipline, enhancing operational efficiency, and effectively managing risks, while continuing to execute its strategy focused on balanced growth and revenue diversification. Management will also continue to closely monitor developments and take the necessary actions to ensure business continuity and performance improvement, reflecting the Group's confidence in its ability to overcome challenges and deliver positive long-term results.

MEKDAM HOLDING GROUP Q.P.S.C

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Press Release

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About Mekdam Holding Group (Q.P.S.C.)

Mekdam Holding Group (a company listed on the Qatar Stock Exchange) is one of the leading national groups providing integrated solutions across technology, engineering projects, and manpower supply. As a strategic partner in Qatar's national development journey, the Group plays an active role in supporting industrial and digital transformation by developing and delivering smart, sustainable infrastructure that meets future requirements and enhances integration and connectivity.

Disclaimer

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