Press Release

Issued by the Board of Directors

Revenue Grows 10.3% to QAR 328.1 Million; Group Maintains Strong Project Backlog of QAR 3.1 Billion

DOHA, QATAR – July 29, 2026 – Mekdam Holding Group (Q.P.S.C.) delivered resilient operational and financial performance during the first half of 2026, achieving revenue growth, significantly improving operating cash flow, maintaining a project backlog exceeding QAR 3.1 billion, and preserving business continuity despite temporary regional disruptions affecting supply chains, project awards, and logistics.

Key Investment Highlights

Mekdam Holding Group delivered a resilient first-half performance, with revenue increasing by 10.3% to QAR 328.1 million, compared with QAR 297.4 million in the corresponding period of 2025. The Group also achieved a significant improvement in operating cash flow, recording a positive QAR 11.3 million compared with a negative QAR 24.1 million in the first half of last year, reflecting enhanced working capital management and stronger cash conversion. The Group maintained a robust project backlog exceeding QAR 3.1 billion, while continuing to build a strong pipeline of opportunities with QAR 2.6 billion of tenders currently under evaluation. Customer retention remained high at approximately 90%, demonstrating the strength of the Group's long-term client relationships and service quality. Looking ahead, management remains focused on disciplined execution, operational efficiency, and the gradual recovery of profit margins as temporary external pressures continue to ease.

Investment Case

Mekdam's long-term investment proposition is supported by a diversified business model, strong market positioning, and substantial revenue visibility. The Group's contracted backlog of more than QAR 3.1 billion, together with a robust pipeline of opportunities under evaluation, provides a solid foundation for future growth. Its diversified operations across technology, engineering, industrial services, and manpower solutions reduce concentration risk while enabling the Group to capitalize on opportunities across multiple sectors. Improving operating cash flow and disciplined working capital management demonstrate management's focus on enhancing earnings quality and financial resilience. Supported by long-standing relationships with government, semi-government, and leading industrial clients, as well as Qatar's multi-year investment cycle in energy, infrastructure, and digital transformation, Mekdam is well positioned to deliver sustainable growth and create long-term value for shareholders.

Chairman's Statement

Sheikh Mohamed bin Nawaf NBK Al Thani, Chairman of Mekdam Holding Group, commented: "The first half of 2026 presented significant challenges for the regional business environment. Nevertheless, Mekdam demonstrated the resilience of its business model by delivering revenue growth, maintaining a strong project backlog, and significantly improving operating cash flow despite external headwinds. While profitability was temporarily affected by higher financing costs, supply chain disruptions, and project execution constraints, the Board is encouraged by the Group's strong operational execution, improving cash generation, and disciplined financial management. These fundamentals reinforce our confidence in Mekdam's long-term strategy and our ability to create sustainable value for shareholders. Looking ahead, we believe Qatar's continued investment in energy, infrastructure, and digital transformation will create meaningful opportunities for growth. Supported by a strong balance sheet, a diversified business portfolio, and an experienced management team, the Board remains confident in the Group's long-term prospects and committed to disciplined, sustainable growth."

Chief Executive Officer's Statement

Mr. Ehab Naser, Chief Executive Officer, commented: "Our first-half results demonstrate the resilience of Mekdam's diversified operating platform and the dedication of our people. Despite temporary challenges affecting project awards, procurement, and logistics across the region, our teams remained focused on delivering projects safely, maintaining operational continuity, improving collections, and strengthening cash generation. We continue to execute mission-critical projects for government, energy, industrial, and private-sector clients while maintaining the highest standards of quality, safety, and customer service. At the same time, we are investing in our execution capabilities, digital solutions, and operational efficiency to support long-term, sustainable growth. Our priorities for the second half of the year are clear: convert our strong project pipeline into new contract awards, improve operating margins through disciplined execution and cost optimization, strengthen working capital, and continue delivering exceptional value to our customers and shareholders. With a project backlog exceeding QAR 3.1 billion and a robust pipeline of opportunities, we believe Mekdam is well positioned for the next phase of growth."

Strategic Progress

During the first half of 2026, the Group continued strengthening its regional presence, expanding execution capabilities, investing in digital solutions, and enhancing operational readiness. The Group also continued investing in technology platforms and organizational capabilities to improve execution efficiency and support future scalable growth. These initiatives support Mekdam's long-term strategy of increasing recurring revenues, improving operational efficiency, and positioning the Group to benefit from the next phase of economic growth in Qatar and the region.

Operational Highlights

Mekdam maintained strong operational momentum during the first half of 2026, with contracts on hand totaling QAR 3.1 billion, including QAR 1.6 billion of remaining work, providing strong visibility into future revenues. During the period, Mekdam secured QAR 254.8 million in new contract awards. The Group's business development pipeline remained robust, with QAR 2.6 billion of tenders under evaluation, while customer retention remained approximately 90%, underscoring the strength of its long-term client relationships, service quality, and reputation as a trusted execution partner.

Financial Performance Analysis

The Group delivered revenue growth of 10.3%, with revenue increasing to QAR 328.1 million in the first half of 2026 from QAR 297.4 million in the corresponding period of 2025, driven by strong performance in the Technology Services segment, stable contributions from Manpower Supply, and continued execution of Engineering Projects. Profitability was temporarily affected by higher material and logistics costs, increased financing expenses, and project execution delays arising from the regional operating environment. As a result, gross profit declined to QAR 45.2 million, operating profit to QAR 17.3 million, and net profit to QAR 12.2 million. Management believes these pressures are temporary rather than structural and expects profitability to improve as higher-margin projects progress, procurement conditions normalize, and operational efficiencies from recent investments are realized. The Group recorded a significant improvement in operating cash flow, generating a positive QAR 11.3 million compared with a net outflow of QAR 24.1 million in the first half of 2025, reflecting stronger working capital management, improved collections, and disciplined payables management.

Response to Regional Challenges

The regional geopolitical environment during the first half of 2026 created temporary challenges, including longer procurement lead times, delays in project awards, higher logistics costs, and operational constraints in certain markets. Despite these headwinds, Mekdam maintained business continuity, sustained project execution, strengthened operating cash flow, and preserved a robust project backlog. Management responded proactively by diversifying procurement channels, strengthening local partnerships, enhancing project management practices, and accelerating digital solutions to improve supply chain visibility and operational efficiency.

Outlook

The Board and Management remain confident in Mekdam's long-term growth prospects, supported by a QAR 3.1 billion contracted backlog, a QAR 2.6 billion pipeline of opportunities under evaluation, and a strong financial position. As Qatar enters a new investment cycle driven by LNG expansion, infrastructure development, and digital transformation, the Group believes it is well positioned to capitalize on emerging opportunities. Looking ahead, management will continue to focus on disciplined project execution, operational efficiency, working capital optimization, and the gradual recovery of profit margins as temporary external pressures ease. Supported by its diversified business model, experienced management team, and strong customer relationships, Mekdam remains committed to delivering sustainable growth and creating long-term value for its shareholders.

Dividend

The Group confirmed that the Board of Directors will continue to evaluate the dividend policy in line with the Group's financial performance, capital requirements, and the prevailing economic environment. The Board remains committed to delivering sustainable value to shareholders through a balanced approach that integrates growth, risk management, and financial discipline.

Commitment to Shareholder Value

Mekdam Holding Group remains firmly committed to delivering sustainable long-term value to its shareholders by maintaining financial discipline, enhancing operational efficiency, and managing risks effectively, while continuing to execute its strategy of balanced growth and revenue diversification. Management will continue to closely monitor market developments and take the necessary actions to ensure business continuity and improve performance, reflecting the Group's confidence in its ability to navigate challenges and deliver positive long-term results.

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

This document contains forward-looking statements relating to future events, conditions, and financial performance. Actual results may differ materially from those expressed or implied due to various factors.