[*Omar’s line was cutting in and out throughout the introduction*]

Omar Maher Good [audio gap 0:05]. This is Omar [audio gap] Hermes. I’d like to welcome everyone [audio gap] MEEZA [audio gap]. I'm pleased to be joined [audio gap] Mohamed Al-Ghaithani, Chief Executive [audio gap] and Mr. James [audio gap].

As usual, we'll begin with the discussion of [audio gap 0:29] highlights of [audio gap] and this will be [audio gap] session. I will now hand over to [audio gap] relation for the safe harbor. Thank you.

M Thank you, Omar.

Mohamed Al-Ghaithani First of all, check if everybody's is listening [audio gap 0:49] can hear us clearly.

M Can everyone hear us clearly?

Omar Maher Yes.

Mohamed Al-Ghaithani There is an echo. I want to make sure that all participants have a clear voice. If anybody can't hear us, please let us [audio gap 1:07]

M Okay. Thank you, Omar and thank you all for joining us. A couple of items before we begin. The investor presentation is going to be available on the investor relations section of the MEEZA website. Please note that the disclaimer on slide 2 is an important part of the presentation regarding any information provided and any forward-looking statements made.

I'll now hand over to our CEO, Mr. Mohamed Al-Ghaithani.

Mohamed Al-Ghaithani Good morning or good afternoon, for [indiscernible 1:44]. I would like to welcome you to the second investor call this year to discuss the quarter— the H125 financials and operational overall figures.

First, I’ll give the highlights in H1 for the growth drivers. As announced, we have four megawatts being built. It's an expansion for an existing building. We achieved 75% of the overall project construction planned, and all the modules is already on the site and all other components are arriving on site within this month, Inshallah. Construction implementation commissioning will start from September onwards and we expect this will take four to six months and the site will be ready for operation by Q1 next year, Inshallah.

At the same time, there is six megawatt Phase 1. Actually this part of a much bigger block [ph 3:08] that is building of 24 megawatts, a new site. We have it in northern Qatar, next to M-V 2. But we already secured the six megawatt contract takeoff with the client, and we are welcome to have the other 14 megawatts also this year to be contracted and ready before we— or during our construction.

This 6 megawatt is part of 24 megawatts will be shown in the next slide, but already we are in stage three and four design, which is the final design short the drones [ph 3:55] and we already getting the approval from the government. We have secured the first phase of approval from government and expect to complete all the approvals within two to three months maximum. At the same time, procurement is being placed to secure long lead items like [indiscernible 4:17] and other equipment. So, we are working better to make the delivery for this building, which will be around 24 megawatt. We expect this building, 24 megawatt, fully operational by H127, Inshallah.

Financial results, we have very positive growth, 5% year-on-year, around QR 9 million, we reach QR 188 million [ph 4:47], and we expect this growth will be more than this in H2. So, our target is to exceed by last year, minimum 5% to 10%, Inshallah and we try to do it to make it bigger.

4.4 year-on-year EBITDA growth. We reached 75.8. And underlying net profit, QR 22 million. We reached QR 28.7 million. As it will be shown in the financials last year, we have a benefit around QR 6.4 million because of electricity actualization. So, the underlying net profit is really positive and moving toward the right direction.

Operation highlight, net sales pipeline, we have QR 1.8 billion and we have 4 new clients on boarded this year. We are closing the [indiscernible 6:03] financing for the new data center, which will be a couple of 100 million. It's already secured, but we will announce it after we have the official sign offs from all parties and stakeholders. It will be announced very soon for the financing.

To have a glimpse about our data centers and the growth, last few years, we maintained 14 megawatts, but the beginning of next year, the growth will be 18 megawatts, with a plan to add around 38 megawatts by ’27. So, this is very aggressive plan, Inshallah, and thus we're talking about it is almost committed and it will be announced while we go this year, Inshallah.

Moving forward, just to give you a picture of work on [indiscernible7:11], we have— our progress is very efficient and fast to deliver the 4 megawatts, although we have some limitation during the summer because of the government. We have a limited working hours and evening shifts is not easy to get approved, especially in the free zones. So we try to mitigate this and to deliver the project as we promised, Inshallah, in Q1 in ’26.

Financial results will be handed over to the CFO.

James Corby Thank you, Mohamed. Good afternoon, good morning, everyone. Moving to the financial results for H1 FY25.

Here we can see H1 versus H1 last year. As Mohamed talked about, our revenue has grown by 5.1% to reach QR 188.6 million, and that's primarily led by higher data center utilization, so higher revenue getting to QR 77.7 million, and higher solutions revenue as well. This was offset partially by lower workplace services.

Last year, we had a one-off, M-V 2 electricity actualization. We resolved our bill with Karama [ph 8:49], which resulted in a QR 6.4 million benefit last year. So, on an underlying basis, we'll come on to that in the next slide, but on a reported basis, our EBITDA was slightly lower and our net profit 4.1% lower, reaching QR 28.7 million. This was aided by lower depreciation and higher finance income.

Here we can see the underlying performance. So, EBITDA is growing by 4.4% when we strip out that QR 6.4 million benefit to cost of sales last year and profit is growing by 22% to reach QR 28.7 million, as I said earlier.

Here we're showing the gross margin, as we normally do. On an underlying basis, our gross margin as a percentage is holding flat at around 29%, but on an absolute level, is increasing to QR 55 million. Our underlying data center margin is at 41% up from 36.5% and managed services is holding around 28% impacted by competition in that sector. Solutions declining slightly to 8.7% for H1 FY25.

EBITDA margin on an underlying basis has increased 2 percentage points to 30.6 and net profit has increased from 9.2% all the way up to 15.2% over a 5 year period.

Here we can see cap ex. We've spent QR 20.3 million in H1 FY25. We expect that to increase up to possibly close to QR 200 million in FY25 and return on capital employed is at about 8%. Cash from operations has been impacted by advance payments we've made to vendors for M-V 4 extension and our net cash is at QR 74.3 million impacted by the dividend that we've paid in Q1 of QR 51.9 million.

Q2 performance versus Q1, very good performance, 20% increase in revenue and 19%— almost 90% increase in net profit and a 12% increase in EBITDA. Underlying Q2 versus Q2 last year, stripping out that QR 6.4 million benefit to cost of sales, our net profit has increased to QR 15.5 million, up 31% and EBITDA, 8.6% increase.

We'll now take questions.

M We can move on to questions, Omar.

Omar Maher Thank you for the presentation, gentlemen. We're going to move to the Q&A session. So, if anyone would like to ask any questions, you can either use the raise hand function to ask your question verbally or use the Slido to put your question in writing.

We have our first question from Gus Shyek [ph 12:51].

Gus Shyek Thanks, Omar and hello, Team. Congratulations on the continued progress and strong underlying results. I have a few questions for you, please. I was going to ask about the one-offs in the first half, but you guys clarified that. So, thank you for that.

Just kind of at a high level, I guess, the four new clients that you brought in in the first half, just curious about these types of clients. I'm assuming these are not the hyperscalers. The hyperscalers are for the large— I'm assuming probably for the Phase 1 of M-V 6. If you can confirm maybe that's the case. Then the four new clients are these local corporates in Qatar. Are these GRE related clients? Just out of curiosity, thank you.

Omar Maher Go ahead, James.

James Corby Hi, Gus. Hope you’re doing well. Primarily our onboarding of customers is in relation to managed services and security services. We haven't added a new hyperscaler customer in that period. So most of the increases which we're seeing is basically market driven in relation to managed services as we expand our portfolio, and obviously the demand, as we've talked about many times, in relation to security as well. So it's primarily in those two areas.

Gus Shyek Thanks, James. I noticed that right of use assets had a big jump to 160 from roughly 130 last year, 130 million last year, and it seems this is being driven by the new lease beside M-V 2 for the M-V 6 facility. Is that correct number one? And number two, have you had to start making payments on this new lease for M-V 6? Or do those only start when the facility is built up and operational?

James Corby Correct. The right of use assets has increased, I think, by about 43 million due to the addition of the land lease at M-V 6. So that is correct. Payments are, I believe, quarterly. I don't believe we started paying them. We are looking at basically capitalizing those costs during the construction phase. But no, I don't think we've started paying as of yet. I think the first payment will be due this quarter.

Gus Shyek Thanks, James. And then just on capex, with the extension for M-V 4 reaching 75% completion, which is solid progress, I was surprised to see the PP&E or capex only being I think it was 20 or so million Qatari riyals for the first half of the year. You mentioned there's going to be a big step up, but how does that work exactly? Because, if the facilities are ready mostly complete, are most of your payments backend loaded, or are they classified differently than capex on the financial statements?

James Corby It's a good question, Gus, but most of the capex in relation to the extension of M-V 4 is in relation to the modular element. And as Mohamed said, the modules have only just started arriving, on the back end of July, actually, so everything is according to plan. But in terms of that capex ramp up, you'll see a significant increase in Q3 because the modules are on site and being constructed or put together. So, essentially, it's a much more larger ramp up in H2 in terms of capex.

Gus Shyek Gotcha. Thanks, James. And as a final question, I noticed the financing that you secured from Duncan Bank for the extension was about 50 bps lower than Interbank rate, if I'm correct. Is that normal for corporates to get financing at those levels, or is that just kind of given the business model itself? It seemed like a pretty preferential rate, and I'm just wondering what's driving that? And also, do you expect similar financing terms for the M-V 6 build out?

James Corby A good question, Gus. I think when we went into the market with the RFIs for that financing, the QMRL was at quite a high level and obviously we're being as aggressive as we possibly could with all the banks in Qatar. So it went to every single bank, and that was the best rate that we were getting. So it is a very good rate, but as I said, the QMRL was quite high at that time.

Going forward, we expect to have financing around that level. Maybe not as good a pricing as that, but we are seeing it's a very competitive landscape in Doha on the financing side. So, it is very good for us in terms of obviously being able to finance the projects at a low cost.

Gus Shyek Great. Thank you, James, to you and Hamed and Yemen for the helpful call. That's it for me.

James Corby Thanks, Gus.

Omar Maher Thank you. We’ll move to the next question, a written question from Jude that says, “You have mentioned a 1.8 billion pipeline in revenue. What is the average duration of these contracts?”

Mohamed Al-Ghaithani It is a very [indiscernible 18:55] contracts. These contracts are five years, contract ten years. So it's [indiscernible].

Sorry, the pipeline is [talking in background 19:09].

Omar Maher Thank you. The next question in writing says, “How sustainable is the 41% gross profit margin for the data center business?”

James Corby It's a good question. We've talked about our data center portfolio having a gross margin including depreciation of about 35% to 40%, so in terms of our target slightly ahead. But we do believe with the strong capex negotiations that are currently ongoing and optimizing the data center facility operational costs that we believe 40% will be achievable going forward.

Omar Maher Thank you, James. There's another question from Julius Botcher. Julius, please go ahead.

Julius Botcher Good morning. Thanks for the call. I just had a question on revenue disclosure. I think previously you were breaking the revenue out into all six segments, and you've now changed the disclosure to say you've lumped the managed service, the workplace services and the cloud services together, and the MSI and the solutions. I just wondered, is there any reason for that?

James Corby Obviously a good spot. I think in terms of MSI, it’s primarily a systems integration solutions type revenue with a very similar margin to solutions, so it didn't really make sense to separate that out. Yet we continue to be the systems integrator in the Mishre [ph] Smart City. But as we talked about, that operational element of that contract is kind of—if you look at last year's number and the year before, that revenue line item has been coming down, and it didn't really make sense to sort of separate it out anymore.

In terms of managed services, obviously within that managed services element, we have security as well. And Cloud, our own cloud as well as now workplace services is in there. In terms of those types of revenue streams, it makes more sense for us to look at that all together, given that workplace services is essentially managed services onsite.

Julius Botcher Fair enough, and I think that makes sense. I think in terms of the managed services, we had been looking for 10% CAGR and obviously year to date it's been shrinking. So I just wondered why that is maybe performing below expectations, and whether that sort of 10% expectation still is reasonable?

James Corby Good question. We talked about in Q1 in relation to one contract that ended because a customer moved to a different type of software support so that did end, and that has reduced to managed services year on year, especially on that line item. But as you can see, we are adding customers, and we are seeing a 10% CAGR definitely on the security side of things. But with managed services, we are still seeing growth but excluding that contract that I just talked about that's having an impact. So, model wise, you could potentially dial down managed services a little bit, but we are seeing, as I said, strong traction in that area. We recently had a new CITO come in as well, who really is driving that area forward and making it more efficient and operate much more effectively as well. So, I think between 5% and 10% would be where we're modeling it at the moment.

Julius Botcher Thank you.

Omar Maher Thank you. Next, we have a written question from Rami that says, “Do you have a three to five year EBITDA growth target for data centers?”

James Corby Do we have a three to five year EBITDA growth target for data centers? I think as we've talked about before as well, when we've met in person at IR shows, we're looking to, and as Mohamed talked about, we're looking to triple our capacity. That will, in effect, triple the EBITDA absolute number and definitely push up our EBITDA margins from 30 into the 40s and potentially beyond that. So, we don't have a specific absolute number that we would disclose right now, but you will definitely expect to see a three times increase in EBITDA on the data center piece as we triple our capacity.

Mohamed Al-Ghaithani Who asked this question?

Omar Maher [indiscernible 25:41].

Mohamed Al-Ghaithani Rami, Inshallah, ask me this question next year, I will have very clear answer to you, because data center business considers more likely into real estate business. So we are building data centers now, we are finalizing contracts, it will be more clear for us by end of this year to have what are the targets that we are looking from three to five years. So definitely by Q1, maximum H1 next year, we have very clear targets, even, Inshallah, we try to put from next year to try to see if we can put a guidance for every year so it will be more clearer for the investors. However, now we can announce that what we have in our hands. As we spoke, there is four megawatts is being built, and it will be tested, commissioned by end of this year, and will be operational by Q1, Inshallah, next year, which is around six to seven months maximum from now.

And how we work to give you the confidence, if you call, we start building before securing the contracts for the M-V 4. We announced the M-V 4 just the contract was being discussed, and was very tough negotiation with the tenants. So, we are in the same process now for M-V 6, but this is much bigger. M-V 6 we’re talking about 24 megawatts. The initial stage is six, but we are not stopping at six megawatts. We're trying to make sure that by commissioning this project we secure all the contracts. And we are very optimistic about these contracts, so Inshallah, we will have more information and more clear guidance for you guys, Inshallah, by this year.

Omar Maher Thank you very much. Next, we have a written question from Fatima Dosery that says, “What led to the increase in data center management costs from 11 million to 19 million? And what drove the strong growth in SS and MSI?”

James Corby I'll take that one. Hi, Fatima. So when we talked about the one-off in electricity in H1 FY24 in relation to the resolution of the M-V 2 electricity bill, which was long outstanding and that had a benefit in H1 FY24 of 6.4 million. That, as well as the fact that our data centers are more utilized now or nearing full utilization, and we have more capacity, so with more capacity, you'd expect an increase in costs, obviously, especially in electricity.

I think there was a second point to that question. Can you just repeat what that second question was there on Fatima's?

Omar Maher Yes, sorry. On SS and MSI, just hold on a second. Sorry, James, I lost the question, so we'll ask Fatima to –

Mohamed Al-Ghaithani It was what drove the strong growth in solutions and MSI?

James Corby Good question again. I think obviously we've talked about solutions being very much one off in nature. Q2 was aided by a couple of larger projects on the solution side, which has increased our revenue, but nothing really in particular. It's very sort of lumpy in nature, solutions.

Mohamed Al-Ghaithani So solutions is, as James said, it is one off. So it is type of SI service, and it's fluctuating. It's not constant. So in nature, this contract is one off. Once you deliver the hardware and software, that's it. And to be honest, this is the highest competition area for the ICT industry here in Qatar. We have big competitors here, companies like [indiscernible 30:33], other competitors, listed companies, non-listed companies, and the margins in this type of business are very low. So what we are trying here is to upset these services to our existing clients, to make sure that we utilize the same resources, be able to manage all of this so we can enhance and increase our margins.

However, there are a lot of such businesses in the market, but the competition is very high, and it's risky sometimes, because clients sometimes they delay payments, and we have to pay the vendors. This will also decrease the margin. So we are not very keen to enter into this market, because the competition, as I said, is very high, and we focus in much higher gross margin business like data center, managed services. That way we can make much margins.

And for that, Fatima, does she ask about that management? It was not 11 million. It was because of the actualization, as James said, so the actual cost was around 18 million, and decreased by 1 million because we have added more customers, we increased by one megawatts. This is why the management costs slightly higher. It increased reasonably. It's not that big.

James Corby Okay, I can see a Ahmed’s question on the side there in terms of capex per megawatt for M-V 6.

Obviously, I think Mohamed might want to talk to this as well. But M-V 6 is initially designed to be a 24 megawatt building. With scale, we are going to then see economies of scale per megawatt. We're going to be targeting, and we talked about this before, around $12 million per megawatt, if not lower.

Omar Maher Thank you, James. And then there's a question from Zoe Pervez. Please go ahead.

Zoe Pervez Hello. Thank you, gentlemen, for the presentation. So your second quarter margins are about 28% lower. Your historical margins are usually more than 30%. Is this the new norm for the business considering this one off is also not there anymore? Should we see the second quarter going forward as the run rate for your gross margins? Thank you.

Omar Maher James, you're muted.

James Corby Oh, sorry. I think you've got to consider the solutions element in relation to that impact on gross margin. So if that has a greater contribution to revenue, that's going to impact your gross margin, so you need to factor that into your modeling. If solutions revenue declines, then the margin will expand accordingly. So it just depends how much of a contribution solutions will have.

Omar Maher Thank you, James. The next question is from Naveed Ahmed, and it says, “From the time four megawatt becomes operational next year in 1Q26, how long does it take to fully contribute in terms of revenues? And is there a lag, or does it immediately start contributing at close to full potential?

Mohamed Al-Ghaithani The plan is to be by end of the Q1 maximum, and in March/April they will start contributing to the revenue.

Omar Maher Thank you. The next question is from Fatima Dosery. Please go ahead.

Fatima Thanks. I’d appreciate it if you can just give us some insights on how the landscape for data centers has changed over the years, and what do you see going forward, whether it's an acceleration of utilization of your data centers, the demand for certain specification, and the much higher growth, especially with the AI driven demand, compared to what it was I'd say two or three years ago?

James Corby Would you like me to take that one?

Mohamed Al-Ghaithani Clearly, there is a demand, to be honest, and this is why we are building and doubling and tripling our capacity. In details, AI is driving part of this growth, and we expect the demand will increase, because the competition in AI is becoming more aggressive. New competitors come to the market, and we expect this will encourage their clients, customers to be more willing to acquire more AI services. This will put pressure on the services that we provide.

Now in part of the M-V 6, we plan to have AI data house that provide GPU as a service. So all of this, and we expect this demand will increase. To be honest, for the last six months, we are engaged with many clients talking about their demands, their plans to come into the region, especially here in Qatar. So talk is more serious this time, more aggressive, and hopefully we have more clarity by end of this year, or at least the beginning of ‘26. But there is demand.

Omar Maher Thank you. So as a reminder, if anyone would like to ask any questions, you can either use the raise hand function for a verbal question, or Slido for a written question.

Mohamed Al-Ghaithani I can have time for only one question. I have to run for another meeting.

Omar Maher Sure.

Mohamed Al-Ghaithani But the team are here to continue. If you want, if there's any other investor wants to ask the CFO and the investor director are here to answer questions. But for me, I have to run for another meeting – chasing revenue.

Omar Maher Understood. Thank you. It appears we don't have any more questions in the queue. So I guess back to you in case you would like to make any concluding remarks.

Mohamed Al-Ghaithani I would like to really thank you guys for the questions for this session. They were really good questions, and I really appreciate your support, your concern that will let us think how we can make you happy, Inshallah, by end of this year and the coming years, Inshallah. Hopefully we’ll come next quarter with more good news, Inshallah.

Omar Maher Thank you very much, Mohamed, James and Yemen and thank you everyone for your participation today. This concludes the call and have a nice day.