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Operator: Hello and welcome to Milaha Conference Call. Please note that this call is being recorded. You will have the opportunity to ask questions to our speakers later on during the Q&A session. If you would like to ask a question by that time, please press star one on your telephone keypad.

Now, I would like to hand the call over to Bobby. You may now begin.

Bobby Sarkar: Thank you, operator. Hi. Hello, everyone. This is Bobby Sarkar, Head of Research at QNB Financial Services. I wanted to welcome everyone to Milaha's Second Quarter 2026 Results Conference Call.

So on this call, we have Akram Iswaisi, who is the EVP of Finance & Investments, and Sami Shtayyeh, who is the VP of Financial Planning & Analysis. So we will conduct this conference with the management first reviewing the company's results, followed by a Q&A.

I would like to turn the call over now to Akram. Akram, please go ahead.

Akram Iswaisi: Thank you so much. Thank you, everyone, for joining Milaha's first half of 2026 earnings call and your interest in the company.

When we had our first quarter call, we were just about two months into the regional conflict with a lot of uncertainty about how things would play out. Here we are today, over five months since the start of the conflict, and although a lot of the same uncertainty remains, two key priorities are constant. First, for us, ensuring the safety of our people and continuing to provide services to our clients and in the State of Qatar at large

We are grateful that there have been no conflict-related injuries among our staff, and we remain committed to their safety. Our operational resilience has also stood out as we continue to serve our customers, move goods, and operate effectively in an uncertain environment. Much of what I said on our first quarter call still holds true. We remain confident in our business and expect a rebound once things settle down. From what we are seeing, strong fundamentals and pent-up demand continue to support that view.

Now on to our H1 results, and I will start by going over our consolidated financial results and move into our various individual business segments before turning it over to Sami to go over our outlook for the rest of the year. As usual, we will end the call with Q&A.

The key highlights of our financial results are as follows:

- Milaha's operating revenues came in at QR 1.68 billion for the first six months ended June 30th, 2026, compared with QR 1.59 billion for the same period in 2025, for an increase of 6%.
- Operating profit came in at QR 265 million for the six months ended June 30th, 2026, compared with QR 354 million for the same period in 2025, for a decrease of 25%.
- Net profit for the six months ended June 30th, 2026, was QR 542 million compared with QR 672 million for the same period in 2025, for a decrease of 19%.
- And lastly, our earnings per share was QR 0.48 for the six months ended June 30th, 2026, compared with QR 0.59 for the same period in 2025.

Now moving on to our segments, starting with Maritime & Logistics. Maritime & Logistics reported operating revenue of QR 384 million, up 43% or QR 150 million from QR 269 million reported in 2025, primarily driven by significantly higher project cargo volumes in our logistics business. Operating expenses similarly increased by QR 62 million, largely reflecting variable costs associated with the higher revenue. Non-operating income decreased by QR 69 million due to lower contributions from our QTerminals joint arrangement, reflecting reduced port volumes resulting from the regional conflict. As a result, net profit decreased by QR 60 million compared to 2025.

In Offshore, the top line remained virtually flat at QR 874 million. Despite operating under difficult circumstances. Vessel chartering posted higher revenue driven by a vessel that was added in mid-2025, whereas our harbor and industrial logistics units were both negatively impacted by the regional conflict. Overall expenses increased by QR 94 million, driven by a combination of conflict-related expenses such as war risk insurance coverage and war risk allowances paid to crew, along with costs associated with the vessel added in mid-2025 and the use of higher-cost chartered vessels. The mismatch between revenue expenses is largely driven by lower overall vessel utilization versus last year due to the regional conflict, which impacted our top line and the higher war risk-related expenses.

Reduced tax provisions due to the one-time recording of deferred tax liability in 2025 drove non-operating expenses down by QR 11 million, and overall profit to the segment was down 64% or QR 85 million versus 2025.

In Gas & Petrochem, revenues dropped by QR 41 million or 26%, going from QR 159 million in 2025 to QR 117 million in 2026, primarily due to the divestment of the VLGC vessels in 2025 and the non-recurrence of dividend income received from our partially owned LNG vessels in the prior year. On the expense side, savings resulting from the VLGC divestment offset higher war risk insurance costs and the non-occurrence of one-off items recorded in 2025, with total expenses decreasing by QR 7 million. Non-operating income increased from QR 293 million in 2025 to QR 316 million in 2026, with QR 15 million of the increase coming from reduced tax provisions due to the one-off reporting of deferred tax liability in 2025, along with QR 12 million in net finance income driven by fixed deposits funded by the proceeds from the VLGC sale. Altogether, net profit for the segment decreased by QR 12 million, going from QR 367 million in 2025 to QR 355 million in 2026.

With respect to the Marine & Technical Services division, we recorded a slight increase in revenue going from QR 180 million in 2025 to QR 190 million in 2026, driven by proceeds from the sale of our Hino dealership concluded in the first quarter of this year, higher mobilization work, and increased lubricant and bunker sales. Operating expenses went up by QR 24 million, primarily due to the higher cost of goods sold, to the revenue growth along with increased provisions for bad debt. Net profits in the segment declined by QR 16 million, going from QR 13 million in 2025 to a loss of QR 3 million in 2026.

Lastly, in Capital, on the revenue side, higher investment income was offset by reduced real estate income following the internal transfer of warehouse assets to our Maritime & Logistics segment. Expenses were broadly flat as cost reductions associated with the warehouse transfer were offset by the non-recurrence of a favorable one-time adjustment recorded in 2025. Overall, Capital's net profit decreased by QR 2 million, going from QR 143 million in 2025 to QR 141 million in 2026.

And that wraps up the segments, and I now will turn it over to Sami to discuss the outlook. Thank you.

Sami Shtayyeh: Thank you, Akram. Starting with Maritime & Logistics, in container shipping, most of our vessels remain outside the Strait of Hormuz and are working on newly established routes, mainly from China and India to Oman. The vessels in the Arabian Gulf are operating coastal and intra-Gulf routes.

In Logistics, we will continue to find creative solutions to move cargo for our customers. In both container shipping and logistics, we expect growth driven by the acquisition of new clients and the introduction of innovative supply chain solutions.

Our QTerminals joint arrangement is financially exposed during the Strait of Hormuz closure; with limited ships calling Hamad port, volumes are similarly limited, and that affects profitability.

In Offshore, once the conflict is resolved, we expect to see strong recovery across the board. However, up until that happens, the segment is expected to underperform.

In Gas & Petrochem, we expect limited volatility due to the long-term nature of contracts with Nakilat, our FSO, and our wholly owned LNG vessels. The outlook on the partially owned LNG vessels, however, is uncertain, the longer the Strait of Hormuz remains closed.

In Marine & Technical Services, focus on this new segment will continue to be selling cross-selling services to existing and potential clients. While the conflict is ongoing, ship services are impacted due to fewer vessel calls to Qatari waters, but the shipyard remains operational and is active, so it's really a mixed bag on performance.

And lastly, Capital, where we will continue to focus on yield enhancement of the financial portfolio. But we do expect a reduction in dividend income from our local equities portfolio.

And with that, operator, we'll now open up for questions.

Operator: Thank you. We will now begin the question-and-answer session. If you have dialed in and would like to ask a question, please press star one on your telephone keypad to raise your hand and join the queue. If you would like to withdraw your question, simply press star one again. If you are called upon to ask your question and are listening via loudspeaker on your device, please pick up your handset and ensure that your phone is not on mute when asking your question.

Your first question comes from the line of Nikhil Phutane from CBFS. Please go ahead.

Nikhil Phutane: Hi. Good afternoon, gentlemen. Resilient performance— that's what definitely one can say about Milaha now. My question actually pertains to your outlook, which you have mentioned on the Maritime & Logistics container shipping, in terms of getting distracted from a regional conflict. So actually, just wanted to enlighten us, suppose if possible, what happened in the second quarter, given the fact that you mentioned that most of the vehicles are outside the Strait of Hormuz, diverted to the new shipping lines? And what do we expect in the third quarter? Are we going to be seeing a progressively increasing revenue line, top line for container shipping?

Akram Iswaisi: Thank you so much for this question. I think you know that this container shipping business is a spot business, a volatile business.

And for us, we've been able to grow; if you look at our revenue and our top line effectively, we've been able to grow logistics because we've been able to grow our client base, increase our service offering. And again, in reaction to this geopolitical situation, we've been able to serve our existing clients and been able to add additional clients. If you look at container shipment, again, it's been a significant enabler to Milaha and to our clients to be able to support the new supply chain routes. Well, for us, this is what we've been able to do, and we'll continue to serve our clients that way. It's very difficult for us to give you a prediction on the revenue for next quarter. I think you know, again, the containership of business spot business, and there's so much volatility today in that space. So I would say that we are quite comfortable that that business will continue to be relatively stable for the rest of the year.

Nikhil Phutane: Okay. Regarding your LNG vessels, if possible, you mentioned about containers; most of the container vessels have been outside. Similarly, can we have an understanding about your LNG vessels, both owned and joint ventures? How many vessels are there stuck up within the current conflict zone? And what are out there? How do you see that?

Akram Iswaisi: I mean, I can tell you that we've had some vessels that are outside of the region and some that have been called inside the region. So in and out, it's very difficult. And honestly, today we cannot really give comments on where these vessels are. But I can tell you that those vessels, some of them are the ones that we own 100%, are still operating and still under contract. Some of the joint ventures that we have are on and off. So again, given the volatility in that situation, we prefer not to comment on what these vessels are today.

Nikhil Phutane: Okay. Thank you. Thank you, sir.

Operator: Thank you. Again, if you would like to ask a question, please press star one on your telephone keypad.

Your next question comes from the line of Ahmed Es’haqi from Sico Bank. Please go ahead.

Ahmed Es'haqi: Hello, am I audible?

Akram Iswaisi: Yes, you are.

Ahmed Es'haqi: Congrats on a great set of results. I have two questions from my end. My first question is related to the Offshore segment. So in general, we've seen a bit of weakness in this quarter. Was that because of vessels going off higher? And when do you expect the segment to pick up once again?

And my second question is about your outlook for the Maritime & Logistics segment. So as of now, in August or let's say the second month of the third quarter, are the risk premiums for the container shipping still there? And do you expect this to continue in the third and fourth quarter?

Akram Iswaisi: Thank you very much for the question. Let me start with the Offshore. Again, Offshore, operationally, is still a solid business, with strong contracts and a strong asset base and strong capabilities. We were clearly impacted by the geopolitical situation, and some of our vessels were off-hired, but that off-hiring was not permanent, so the vessels continue to come in and out. So they might be on hire for a while, but they get off-hired for various, let's say, operational reasons that have to do with the conflict and the safety of our assets and the safety of our people. And so we continue to work with our clients to deploy those vessels when they need them and how they need them. And so, again, that business has been largely impacted by the geopolitical situation.

Now, in terms of the war risk premium, they're still on. How long they will last? Again, as I mentioned earlier, it's difficult for us to predict how long they will last. I think everybody expected a resolution to the conflict a couple of months ago, and then we'll be back on. So given the volatility and the fact that nobody can predict the future, we potentially expect that this war risk premium could continue for the next couple of months. But again, this is a spot business, and there's so much volatility that it's difficult for us to give you an exact view on how we see the container shipping rates or the war risk premiums playing out for the rest of the year. But again, I've emphasized that in the first quarter, which is that, as an organization, we are actively working to expand our business. So if you look at logistics, if you look at offshore on all the different segments, Milaha has been actively working on expanding our top line to compensate for lost revenue. At the same time, we've been able to manage and contain costs. Taking into consideration, though, that once this conflict is over, our business will rebound and we have to be on standby and ready to serve our customers. So, taking that into consideration, we are still operationally on standby and ready to serve our customers once this conflict is over.

Ahmed Es'haqi: Maybe a couple of follow-ups from my end. Firstly, about Maritime & Logistics. So you always had this plan around the business. So what portion of this quarter's great results is attributed to the efficiencies being done in the Maritime & Logistics segment?

And my second question is related to the off-hires you've mentioned in the Offshore segment. So as of the mid-third quarter, have you seen better activity in terms of the offshore vessels, and in general, how have the rates been for offshore vessels?

Akram Iswaisi: Okay, let me start by talking about Maritime & Logistics. If you recall, I mentioned that we hired a new executive to run this business division. And part of that new hiring was a new strategy for that business division that involved restructuring the way we operate, the hiring of new staff, the creation of new solutions and strategies.

And so there's been a lot of work that was done pre-conflict. That, actually, when the conflict happened, allowed us to be able to deliver client solutions for our clients faster. It made us much more nimble. We've been able to even expand much more into Saudi Arabia. So this is a plan that's been in place since last year, but as the conflict happened, we were able to react to that much more efficiently and much more effectively. So there's been a lot of cost-cutting in that business division, but at the same time, as you're aware, logistics is a volume business. So one of the things that we've been working on is growing the top line, building new relationships, and acquiring new customers. And so that's been a strategy that's been in place since last year when we hired the new executive. So the conflict has allowed us to reach out to new customers. But we wouldn't have been able to do that if we did not have the right team in place, the right solutions, and we weren't operationally ready for that. So we've been able to react very quickly to serve our customers.

If you look at Offshore, I can't really give you, again, because the situation is volatile, and we have to maintain some confidentiality in terms of what's happening on the offshore side. The assets are in and out depending on how the clients need them. And if you look at, again, if you look at our top line, our top line is still relatively steady. The top line, given our asset base of the plans we had in place, had it not been for the conflict, our top line would have grown much more than this. But again, we have been impacted by suspensions given the geopolitical situation. I mean, that's honestly all I can say at this point. But again, we look at the top line is still relatively steady. And our top priority right now is serving our clients, making sure that we're there, and secondly, making sure that our people, our employees are safe and sound.

Ahmed Es'haqi: Perfect. Thank you and all the best.

Akram Iswaisi: Thank you.

Operator: Thank you. Your next question comes from the line of Aashish Agarwal with the First Investor. Please go ahead.

Aashish Agarwal: Thank you, gentlemen, for the call, and congratulations on the side of the results considering what is happening around the region. My question pertains to your results of joint ventures. Could you give us a split of how much profit was generated from one of the JVs with Nakilat, Gulf LPG, and the remaining with QTerminals? Thank you.

Akram Iswaisi: I mean, I think the results, if you look at Gulf LPG, we've already sold the assets last year. So effectively that's gone. And what else are you asking for Nakilat? We own 36% of Nakilat, so it's easy for you to calculate that number, but what are you asking for is one? I'm not sure I…

Aashish Agarwal: No, sorry, my understanding was that the number 21.430, it's inclusive of two joint ventures, but I understand if you have sold that. So now entirely it pertains to QTerminals, correct?

Akram Iswaisi: Yes, we have the joint venture; I mean, Nakilat is an associate, right? And so joint ventures are primarily...

Aashish Agarwal: No, I'm talking specifically about the 21.430 share of results of joint ventures. I understand that associate is bifurcated.

Akram Iswaisi: Yes, QTterminals, basically.

Aashish Agarwal: Yes, it's all QTerminals. All right, okay. Thanks for the confirmation.

Operator: Thank you. Again, if you would like to ask a question, please press star one on your telephone keypad.

Your next question comes from the line of Nikhil Phutane with CBFS. Please go ahead.

Nikhil Phutane: Thank you for taking the question. I mean, just a short one. I mean, maybe it's just preponing it in a way of saying things, but given the current situation and other things which are evolving, do you could continue with your assessing your assets at the end of the year in terms of whether disposal of your property, vessels and equipment? Could you postpone this coming this year?

Akram Iswaisi: I'm not sure I understand the question. Can you repeat the question, expand on that?

Nikhil Phutane: So I'm looking at in terms of your normal exercise, which you take undertake in the fourth quarter normally on your revaluing your vessels, your property and other things, and which is affecting your fourth quarter results. So I just wanted to know whether, do you could be taking an exception this year? I mean, do you see it because of this conflict, you know, you could be seeing a larger impairment coming into picture? Again, I mean, it is depending upon the depreciation and other things which you mentioned earlier.

Akram Iswaisi: Well, I don't think we give projections, or we don't provide guidance on impairments, and we've never done that. So I cannot tell you here that we're going to take an impairment, but our books are… we've taken impairments in the past that I've mentioned, but there's no reason for us to take an impairment right now. At this point, again, it's an accounting exercise, and so that gets done every year. And so can't give guidance on that, to be honest with you.

Nikhil Phutane: Okay. Fair enough. Thank you.

Akram Iswaisi: I mean, our view is, once the conflict is over, our entire balance sheet is going to be back in full effect. And I've said that before; I'll repeat it again. You know, we're on standby operationally to serve our customers. We're quite optimistic that there will be a strong rebound once this conflict is over.

There's so much pent-up demand. And so at the end of the day, we've done everything we can to manage costs, contain costs, but at the same time ensure that we are operationally ready to serve our customers, and that's our top priority. And we're quite happy with the results that we've been able to achieve. It's been a very, very difficult environment to operate in. But again, at the Board level, at the management level, at the operational level, we remain committed to serving our customers and ensuring that we react whenever we're being called upon.

Nikhil Phutane: Thank you, sir.

Operator: Thank you. Again, if you would like to ask a question, please press star one on your telephone keypad.

There are no questions. I will now turn the conference back over to Bobby for closing remarks. Please go ahead.

Bobby Sarkar: Okay. Thank you. If there are no further questions, we can end the call for today. I want to thank Akram and Sami for going over the presentation and answering our questions, and then we'll pick this up again next quarter. Thanks, everyone.

Operator: Ladies and gentlemen, that concludes today's call. Thank you all for joining. You may now disconnect.