Q3 2026 Financial Report

Capital Allocation & Market Performance

MERIDIAN
FINANCIAL GROUP

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Executive Summary

Meridian Holdings has delivered robust financial results for the third quarter of 2026, driven by strong operational performance across our core business segments: Nexa Infrastructure and Synapse Solutions. Consolidated revenue grew by 13.0% year-over-year to $248.5 million. EBITDA margins remained healthy at 25.1%, supported by ongoing cost-optimization initiatives and positive operating leverage. Net income reached $38.1 million, reflecting improved profitability despite rising capital expenditures.

Key Takeaways

- **Revenue Outperformance:** Driven by an 18.2% surge in Nexa Infrastructure cloud contracts.
- **Margin Expansion:** Cost integration efforts saved $4.5M in operating expenses.
- **Capital Position:** Cash reserves remain solid at $112.0M, facilitating future expansions.

REVENUE	EBITDA	NET INCOME	FREE CASH FLOW
$248.5M	**$62.3M**	**$38.1M**	**$44.2M**
↑ +13.0% YoY	↑ +8.7% YoY	↑ +11.1% YoY	↓ -2.4% YoY

1 Financial Overview & Revenue Growth

Consolidated revenue for Q3 2026 reached $248.5 million, up from $220.0 million in the prior-year period. This steady growth highlights the strength of our enterprise offerings and resilience in key markets.

The primary growth driver was **Nexa Infrastructure**, which expanded its cloud hosting capacity, generating $112.5 million. **Synapse Solutions** also demonstrated solid expansion, bringing in $76.2 million through high-margin software-as-a-service (SaaS) renewals. **Vertex Logistics** experienced modest growth of 8.3%, posting $41.8 million despite global freight market volatility. Other segments remained flat at $18.0 million.

Table 1: Revenue Breakdown by Segment (USD Millions)

Segment	Q3 2025	Q3 2026	Change
Nexa Infra.	$95.2	$112.5	+18.2%
Synapse Sol.	$68.4	$76.2	+11.4%
Vertex Log.	$38.6	$41.8	+8.3%
Other Sectors	$17.8	$18.0	+1.1%
Total	**$220.0**	**$248.5**	**+13.0%**

2 Operating Margins & Expense Analysis

Consolidated EBITDA stood at $62.3 million, yielding an EBITDA margin of 25.1%. This reflects positive operating leverage, particularly in our infrastructure division.

Operating expenses (OPEX) totaled $186.2 million, which includes $4.5 million in cost-integration charges related to the acquisition of **Nimbus Technologies**. Research & Development (R&D) investments grew to $18.4 million, focusing on Synapse's AI auditing platform. Sales & Marketing expenses stabilized at $22.1 million.

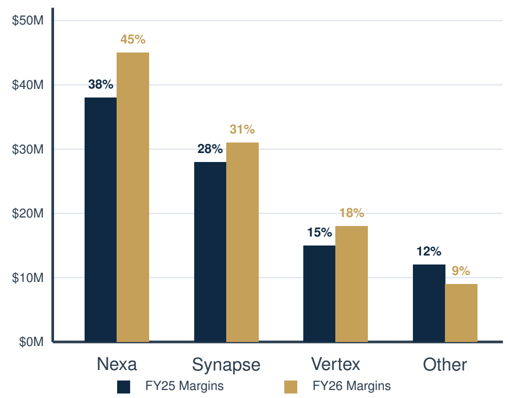

Figure 1: Operating Margin Trends by Segment

3 Balance Sheet & Liquidity Analysis

Meridian's balance sheet remains highly resilient. Total cash and cash equivalents stood at $112.0 million at the end of the quarter. Operating cash flow was $52.8 million, while free cash flow reached $44.2 million. The slight decline in free cash flow was expected, reflecting accelerated capital expenditures in the Vertex Cloud facility.

Liquidity Profile & Debt Management

Meridian's liquidity remains strong with a total cash position of $112.0 million. Net debt was reduced by $15.0 million in Q3, following the successful refinancing of the Series A Senior Notes at a fixed rate of 4.25% (previously 5.50%). The net debt-to-EBITDA ratio improved to 1.45x, well within the target leverage band of 1.2x–1.8x.

4 Strategic Capital Expenditures

Capital expenditures in Q3 totaled $32.4 million, with 70% allocated to high-yield expansion projects. The primary investment remains the expansion of Nexa's green data center in the Northern Region, which is on track to become operational in Q1 2027. Additionally, Meridian commenced a $12.0 million equity investment in **Apex Technologies** to secure critical supply lines.

5 Risk Assessment & Sensitivity Analysis

The finance committee conducted a sensitivity analysis on key macro risk variables. The primary risks remain energy cost volatility (critical for Nexa data centers) and interest rate fluctuations on our floating-rate debt.

Table 2: EBITDA Sensitivity Analysis

Risk Factor	Shift	EBITDA Impact
Interest Rate	+100 bps	-$2.4M
Energy Tariff	+10%	-$1.8M
FX (USD/EUR)	+5%	+$1.2M
Supply Chain Cost	+8%	-$3.1M

Report Approval & Sign-off

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Disclosures & Disclaimers