

On behalf of the Board of Directors, enclosed herewith are the financial statements for the six months ending June 30, 2025.

Highlights of the performance for the first six months can be summarized as follows:

Particulars	Group			Parent		
	Jan-Jun 2025	Jan-Jun 2024	Growth %	Jan-Jun 2025	Jan-Jun 2024	Growth %
Production in MT	239,480	208,244	15%	239,480	208,244	15%
Sales in MT	260,770	219,639	19%	260,646	222,968	17%
Sales Value in RO	76,564,041	69,983,373	9%	75,828,047	69,693,739	9%
Net Profit in RO	4,122,040	2,568,427	60%	4,281,213	2,519,094	70%

The company has been performing consistently above the budget, as we have been close to customers, constantly engaging and catering to the needs of the market. Al Jazeera Steel has taken the lead in addressing the needs of the market by diversifying product lines, moving into higher value-added products and keeping pace with the constantly evolving market demand. Net profit grew 60% in Q2-2025 compared to a similar period in 2024, while sales values have grown by 9% over previous year in the same period.

Steel demand across various geographies continued to be impacted by geopolitical developments and tariff barriers. While the US market is slowly adjusting to the new tariff levels on steel, and prices are picking up slowly, Europe is still facing a slowdown in consumption.

In Asian markets, Chinese domestic market was dominated by low sentiment, awaiting announcements of stimulus measures from the government to support consumption.

The GCC markets, however, are performing reasonably well with residential and infrastructure construction continuing at a good pace. After a record year of projects tendered in 2024 in the GCC, 2025 saw a slight slowdown in new project announcements, however the focus has now shifted to execution, which has given a boost to steel consumption and this phase is expected to continue in the foreseeable future. With about \$419.3bn of projects planned or underway, Saudi Arabia is by far the largest projects market in the MENA region.

The Oil and Gas segment in the GCC countries continued to perform well as in 2024, GCC recorded the highest ever value of Oil and Gas contracts, with the \$66bn total surpassing 2023’s record value by 23%. Project awards and developments that were delayed between 2020-2022 due to the pandemic, regained momentum in 2023-2024.

Though various headwinds impacted the business climate across the world, Jazeera Steel has been successfully navigating through various challenges like

trade barriers, tariffs and evolving competitor landscape in various markets and a dynamic pricing environment, by managing costs and focusing on maximizing revenues and profitability.

Al Jazeera Steel successfully completed the American Petroleum Institute (API) re-certification audit and has the capability to supply API grade pipes for line pipe applications. On the merchant bar mill, Al Jazeera Steel continues to focus on value added grades and higher end applications. The various investments in upgradation of mills have started paying off as Al Jazeera steel has launched several new products into the market successfully.

The Company, as a corporate policy, continuously invests in human resources and provides training to its employees to develop their skills at various levels. Local employment is encouraged, and we have achieved 43% Omanisation in our workforce.

In conclusion, on behalf of the Company and the Board of Directors, I would like to express my heartfelt gratitude to His Majesty Sultan Haitham bin Tariq for the encouragement and support given by his government to the industrial development in Oman. Also, I take this opportunity to thank all our stakeholders and very importantly our employees and the management team for the support and cooperation extended, which in turn reflects the confidence placed in the Company.

On Behalf of the Board

Amal Suhail Salim Bahwan

Chairperson of the Board of Directors

27th July 2025