

BOARD OF DIRECTORS’ REPORT

FOR THE QUARTER ENDED 30 September 2025

Dear Shareholders,

On behalf of the Board of Directors of National Aluminium Products Company SAOG (NAPCO), I present the unaudited financial statements for the quarter ended 30 September 2025 along with a review of the Company’s performance and strategic outlook.

Economic environment

The global aluminum industry continues to experience volatility, driven by elevated energy costs, geopolitical tensions, and supply chain disruptions. Despite these challenges, NAPCO has remained resilient by capitalising Oman’s strategic geographic position and aligning its initiatives with Vision 2040. Through proactive strategies and prudent financial management, the Company continues to navigate sustainability challenges while safeguarding margins and enhancing long-term shareholder value.

Performance Review

The consolidated financial performance of NAPCO (Parent Company) and Novel Aluminium Products Company LLC (Subsidiary), jointly called Group, for the period ended 30 September 2025, compared to the prior year, is summarized below:

|                          | RO 000s  |          |          |          |
|--------------------------|----------|----------|----------|----------|
|                          | Group    |          | Parent   |          |
| Particulars              | YTD 2025 | YTD 2024 | YTD 2025 | YTD 2024 |
| Revenue                  | 19,039   | 15,485   | 18,925   | 15,411   |
| Net loss before taxation | (549)    | (1,342)  | (572)    | (1,312)  |
| Net loss after tax       | (549)    | (1,342)  | (572)    | (1,312)  |

For the quarter ended 30 September 2025, the Group recorded a 23% year-on-year revenue growth, accompanied by an 18% rise in cost of sales. Net Loss after tax

improved significantly to RO 549K, representing a 59% reduction compared to a Net Loss of RO 1,342K in the prior year. This improvement was primarily driven by cost optimization initiatives, shareholder funding, and improved working capital support.

In July 2025, following the departure of the Chief Executive Officer, the Board established a Joint Interim Management Committee to ensure continuity and stability in the Company's operations. The Committee assumed major executive responsibilities and provided coordinated oversight across key functions including finance, production, sales, and procurement.

Over the past nine months, the Board took an active leadership role, successfully secured new funding from major shareholders, negotiated the restructuring of the Company's existing commercial loans, and obtained a working capital facility from Oman Development Bank. These strategic measures have been pivotal in implementing the turnaround plan, restoring financial resilience, and positioning the Company for sustainable recovery and growth.

While tangible progress has been made, the Company continues to experience pressure from working capital constraints and high borrowing costs. Management remains focused on addressing these challenges through strategic financial restructuring and operational efficiency measures.

#### **Future outlook**

NAPCO remains well-positioned to capitalize on growing demand for sustainable aluminum products across key sectors, including construction, transportation, and renewable energy. Domestically, Oman's Vision 2040 and ongoing infrastructure provides a supportive environment for future growth.

While external risks such as raw material price volatility and global uncertainties remain prevalent, NAPCO will focus on expanding its product range, enhance supply chain resilience and operational efficiency, strengthening its competitive positioning in regional and international markets to drive sustainable long-term growth and deliver value to shareholders.

#### **Acknowledgement and Appreciation**

The Board extends its deepest appreciation to our shareholders for their continued trust and support. We also express our gratitude to our clients, suppliers, banking partners, regulatory authorities, the MSX, and the FSA for their collaboration. Our sincere thanks go to management and employees for their commitment and dedication.

Finally, we acknowledge with gratitude the visionary leadership of His Majesty Sultan Haitham bin Tariq and his government in fostering economic progress and prosperity.

**Dr. Zakia Hassan Ehsan Al-Naseeb**

Chairperson