

BOARD OF DIRECTORS’ REPORT

For The Quarter Ended 31st March 2026

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 31ST March 2026 along with a review of the Company’s performance and strategic outlook.

Economic environment

In 1st Quarter of 2026, the global economy continued to register modest but increasingly fragile growth, with the IMF projecting global expansion at around 3.1%, reflecting a slowdown from 2025 amid escalating geopolitical tensions, heightened protectionism, and renewed energy supply disruptions linked to ongoing conflict in the Middle East. While economic activity demonstrated resilience in parts of the world, supported by labor market stability, technology investment, and adaptive private sector behavior, overall momentum weakened as uncertainty intensified.

Overall, the start of year 2026 has been characterized by persistence rather than acceleration, a global economy operating under sustained pressure, exposed to geopolitical shocks and structural weaknesses. The outlook underscores the urgent need for credible fiscal frameworks, targeted structural reforms, and renewed international policy coordination to restore confidence, safeguard stability, and place global growth on a more sustainable long-term path.

Performance Review

The consolidated financial performance of the National Aluminium Company Products Company SAOG (Parent Company) and Novel Aluminium Products Company LLC (Subsidiary) for the period ending 31 March 2026, compared to the prior year, is summarized below:

RO 000s				
	Group		Parent	
Particulars	YTD 2026	YTD 2025	YTD 2026	YTD 2025
Revenue	7,309	5,885	7,271	5,837
Net loss before taxation	(73)	(267)	(80)	(277)
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For the quarter ended 31st March 2026, the Group recorded a 24% year-on-year revenue growth, with a 23% rise in cost of sales. Net loss after tax improved significantly to RO 73k, down 72% from RO 267k last year, driven by cost optimization, shareholder funding, and enhanced working capital support from a new lender.

Despite progress, the Company continues to face working capital constraints due to abnormal increase in raw materials prices and high borrowing costs, which management is actively addressing through strategic financial and operational measures

Future outlook

NAPCO remains well positioned to benefit from the structural growth in demand for sustainable aluminum products across key end-use sectors, including construction, transportation, and renewable energy. At the domestic level, the objectives of Oman Vision 2040, together with continued public and private investment in infrastructure and industrial development, provide a strong foundation for long-term growth.

The operating environment continues to be influenced by external factors such as raw-material price volatility, evolving global trade dynamics, and heightened geopolitical and macroeconomic uncertainty. In response, the Company is focused on, enhancing operational efficiency, and strengthening supply chain resilience. These strategic priorities are intended to mitigate risk, reinforce NAPCO’s competitive position, and support sustainable long-term performance, thereby delivering consistent 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 Tarik and his government in fostering economic progress and prosperity.

Dr. Zakia Hassan Al-Naseeb

Chairperson