

NATIONAL MINERAL WATER COMPANY (SAOG)

DIRECTOR’S REPORT

11th November 2025

Dear Shareholders,

On behalf of the Board of Directors, the Company hereby reports the unaudited financial results for the nine-month period ended 30th September 2025.

Review of Operations:

The consolidated financial statements include the results and the financial position of the Parent Company, National Mineral Water Company SAOG, and its Subsidiary, National Distribution and Development Company LLC (formerly known as Value deal Trading LLC), for the period ended 30th September 2025, together referred to as the Group.

Sales and Operational Performance:

For the period ended 30th September 2025, the Group reported revenues of RO 4.3 million, up 5% from RO 4.1 million during the same period in 2024, supported by improved market visibility and stronger brand engagement. The net loss narrowed to RO 0.6 million from RO 1.1 million in the previous year, reflecting the benefits of enhanced corporate governance, tighter financial controls, and ongoing restructuring efforts implemented by the new management. While cost pressures and competitive intensity persist, the overall trajectory remains positive, indicating that the turnaround measures are yielding results. The Parent Company’s performance is aligned with that of the Group.

The Company delivered a steady improvement throughout the year with sales increasing quarter after quarter and the third quarter recording the highest performance of the period. This consistent growth was supported by stronger market confidence and improved distribution coverage. The early months of 2025 were still affected by the residual impact of product related concerns from late 2024. Independent third party testing and internal reviews have continuously reaffirmed full compliance with all regulatory standards helping to restore consumer trust and strengthen brand credibility.

Ongoing initiatives in distribution optimisation, route to market efficiency and manufacturing productivity are gaining momentum and are expected to further enhance performance in the coming quarters.

The Board acknowledges that the Company remains in a net loss position, and a focused effort is ongoing to address both structural and external challenges.

Subsidiary Company:

National Distribution and Development Company LLC (NDDC), formerly known as Valueddeal Trading LLC, trades in plastic.

Outlook and transformation initiatives

The Company is actively pursuing a transformation program to reposition its operations and financial profile. Key areas of focus include:

Expanding the product portfolio with a focus on profitable, value-added categories.

Improving manufacturing efficiency and reducing fixed overheads.

Strengthening distribution partnerships and optimizing supply chain costs;

Enhancing commercial execution and brand positioning.

Several initiatives have reached implementation stage, including procurement renegotiations and automation of select production processes. Management capacity is being reinforced in operations, finance, and supply chain management to support execution.

The Board is cautiously optimistic that these measures, though requiring time to fully materialize, will help build a sustainable pathway towards breakeven and long-term value creation.

Internal Control System

The Board and Audit Committee continue to closely monitor the internal control environment. The internal audit function, operated independently by a third-party firm, has identified specific areas for improvement in procurement, inventory, and operational processes. Corrective measures are being implemented, including upgraded ERP controls, workflow automation, and reinforced financial oversight.

The Board reiterates its commitment to sound governance, risk management, and transparent reporting as we continue to navigate a challenging yet promising recovery phase.

Acknowledgment

We extend our sincere appreciation to our shareholders and stakeholders for their continued trust and unwavering support during this challenging period. Your confidence strengthens our resolve as we work diligently to restore and reinforce integrity in our governance and financial reporting practices.

On behalf of the Board of Directors, I would also like to express our heartfelt thanks to our valued patrons, customers, bankers, and shareholders for their steadfast support. We remain deeply grateful to the management team for their ongoing dedication and commitment to the growth and progress of the Company.

Finally, we convey our profound gratitude to His Majesty Sultan Haitham bin Tariq and the Government of Oman for their enduring support of the private sector. Their guidance and encouragement continue to inspire our efforts toward sustainable growth and national contribution.

Sayyid Aymen bin Hamad bin Hamoud Al Busaidi

Vice Chairman