

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

Registered Address

PO Box: 57,
Postal code: 116,
Mina Al Fahal
Muscat,
Sultanate of Oman.

Principal place of business

Building no. 245, Block no. 250
Al Maaredh Street no. 61,
Ghala
Muscat,
Sultanate of Oman

AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

CONDENSED INTERIM FINANCIAL STATEMENT FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

Contents	Pages
Condensed interim statement of profit and loss and other comprehensive income	1
Condensed interim statement of financial position	2
Condensed interim statement of changes in equity	3
Condensed interim statement of cash flows	4
Notes to the condensed interim financial statements	5 - 10

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

	Notes	31 March 2025 RO ('000)	31 March 2024 RO ('000)
Revenue	3	118,531	121,069
Cost of sales	4	(112,626)	(114,886)
Gross profit		5,905	6,183
Other operating income		1,572	1,627
Operating and administrative expenses	5	(5,935)	(5,987)
Operating profits		1,542	1,823
Finance costs	6	(536)	(588)
Finance income		266	306
Profit before income tax		1,272	1,541
Income tax expense	16	(154)	(231)
Profit and total comprehensive income for the period		1,118	1,310
Basic and diluted earnings per share (RO)		0.016	0.019

The accompanying notes and other explanatory information on pages 5 to 10 form an integral part of these condensed interim financial statements.

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Notes	31 March 2025 RO	31 December 2024 RO
ASSETS			
Non-current assets			
Property, plant and equipment	7	29,827	29,719
Investment properties		388	400
Right-of-use assets		6,170	6,409
Contract assets		2,767	2,820
Deferred tax assets	16	2,312	2,312
Total Non-current assets		41,464	41,660
Current assets			
Inventories	8	4,958	4,260
Trade and other receivables	10	86,548	76,789
Contract assets		1,318	1,349
Short term deposit		10,000	10,000
Bank balances and cash	9	7,930	21,970
Total current assets		110,754	114,368
Total assets		152,218	156,028
EQUITY AND LIABILITIES			
Equity			
Share capital	11	6,900	6,900
Legal reserve		2,300	2,300
Special reserve		2,104	2,104
Retained earnings		37,621	36,503
Total equity		48,925	47,807
Non-current liabilities			
Lease liabilities		6,230	6,459
Employee's end-of-service benefits		277	276
Total non-current liabilities		6,507	6,735
Current liabilities			
Trade and other payables	12	50,857	52,325
Interest bearing loans and borrowings	13	43,064	46,444
Lease liabilities		675	681
Contract liabilities		1,444	1,444
Income tax payables	16	746	592
Total current liabilities		96,786	101,486
Total equity and liabilities		152,218	156,028
Net assets per share (RO)		0.709	0.693

These condensed interim financial statements were approved and authorised for issue by the Board of Directors on 27 April 2025 and signed on their behalf by:

Chairman

Director

The accompanying notes and other explanatory information on pages 5 to 10 form an integral part of these condensed interim financial statements.

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

	Share Capital RO ('000)	Legal reserve RO ('000)	Special reserve RO ('000)	Retained earnings RO ('000)	Total Equity RO ('000)
As at 1 January 2025 (audited)	6,900	2,300	2,104	36,503	47,807
Profit and total comprehensive income for the period (unaudited)	-	-	-	1,118	1,118
At 31 March 2025 (unaudited)	<u>6,900</u>	<u>2,300</u>	<u>2,104</u>	<u>37,621</u>	<u>48,925</u>
As at 1 January 2024	6,900	2,300	2,104	36,672	47,976
Profit and total comprehensive income for the period	-	-	-	1,310	1,310
Cash dividends	-	-	-	(6,210)	(6,210)
At 31 March 2024	<u>6,900</u>	<u>2,300</u>	<u>2,104</u>	<u>31,772</u>	<u>43,076</u>

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AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2025

	Note	31 March 2025 RO ('000)	31 March 2024 RO ('000)
Cash flows from operating activities			
Profit before tax		1,272	1,541
Adjustments for:			
Depreciation on property, plant and equipment	7	835	842
Depreciation on right of use assets		239	286
Depreciation on investment properties		12	12
Accrual for employees' end of service benefits		16	17
Amortization of contract assets		55	55
Provision for slow moving inventory	8	10	(83)
Finance income		(266)	(306)
Finance costs	6	536	588
Operating cash flows before working capital changes		2,709	2,952
Working capital changes			
Inventories		(708)	(610)
Trade and other receivables		(9,730)	(2,972)
Trade and other payables		(1,468)	(919)
Operating cash flows after working capital changes		(9,197)	(1,549)
Employees end of service benefits paid		(15)	(16)
Net cash flows (used in) / from operating activities		(9,212)	(1,565)
Cash flows from Investing activities			
Proceeds from disposal of property, plant and equipment	7	57	13
Purchases of property, plant and equipment		(1,000)	(1,020)
Short term deposit		-	(2,000)
Finance income received		266	306
Net cash flows (used in) investing activities		(677)	(2,701)
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(343)	(356)
Proceeds from short-term borrowings		129,384	120,868
Repayment of short-term borrowings		(132,764)	(140,809)
Finance costs paid		(428)	(481)
Net cash flows from financing activities		(4,151)	(20,778)
Net increase in cash and cash equivalents		(14,040)	(25,044)
Cash and cash equivalents at 1 January		21,970	42,389
Cash and cash equivalents at 31 March	9	7,930	17,345

The accompanying notes and other explanatory information on pages 5 to 10 form an integral part of these condensed interim financial statements.

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE PERIOD ENDED 31 MARCH 2025

1. General

Al Maha Petroleum Products Marketing Company SAOG ('the Company') is a joint stock company registered under the Commercial Companies Law, of the Sultanate of Oman. The principal activity of the Company is the marketing and distribution of petroleum products. The Company has its primary listing on the Muscat Stock Exchange. The principal place of business is located at Ghala, Sultanate of Oman.

In December 2022, the Company signed a partnership agreement with Vince Arabia in Kingdom of Saudi Arabia and registered its first overseas branch in Dammam, Kingdom of Saudi Arabia, named as "Al Maha Petroleum Products Marketing Company – KSA branch", bearing Commercial Registration number 2050165463.

2. Material accounting policies

(a) Statement of compliance

The unaudited interim condensed financial statements for the three months period ended 31 March 2025 of the Company are prepared in accordance with International Accounting Standards (IAS) 34, 'Interim Financial Reporting'.

(b) Basis of preparation

The interim condensed financial statements have been prepared on the historical cost.

The functional currency of the Company is the Rial Omani (RO). These unaudited interim condensed financial statements of the Company are prepared in Rial Omani. The unaudited interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual financial statements as at 31 December 2024. In addition, results for the period ended 31 March 2025 are not necessarily indicative of the results that may be expected for the financial year 2025.

The Company has prepared the unaudited interim condensed financial statements on the basis that it will continue to operate as a going concern. The Board of Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

(c) New and amended standards and interpretation to IFRS

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2024, except for the adoption of new standards effective as of 1 January 2025. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Lack of exchangeability – Amendments to IAS 21

Classification and measurement of financial instruments – Amendments to IFRS 9 and 7

Presentation and disclosure in financial statements – Amendments to IFRS 18

Disclosure on subsidiaries without public accountability – Amendments to IFRS 19

These amendments had no impact on the interim condensed financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

(d) Critical judgments and key sources of estimation uncertainty

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended 31 December 2024.

(e) **Financial risk management**

The financial risk management objectives and policies applied during the period are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2024.

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE THREE PERIOD ENDED 31 MARCH 2025 (continued)****3. Revenue**

	31 March 2025 RO ('000)	31 March 2024 RO ('000)
Revenue from sale of goods	87,768	88,416
Revenue from contract with customers	30,763	32,653
	118,531	121,069
Types of sales		
Retail	87,768	88,416
Commercial	18,847	19,082
Others	11,916	13,571
	118,531	121,069
Geographical market		
Domestic market	118,531	121,069
Timing of revenue recognition		
Goods transferred at a point in time	118,531	121,069

4. Cost of Sales

Other income includes transport rebate, rental income from filling station, dealers, convenience stores and other property leased out, income from project manpower costs and others.

5. Operating and administrative expenses

	31 March 2025 RO ('000)	31 March 2024 RO ('000)
Employee benefit expenses	1,713	1,603
Operating expenses	2,838	2,850
Administration and general expenses	244	340
Depreciation and amortisation	1,140	1,194
	5,935	5,987

6. Finance cost

	31 March 2025 RO ('000)	31 March 2024 RO ('000)
Interest on bank borrowings	428	481
Interest on lease liabilities	108	107
	536	588

7. Property, plant and equipment

During the Three months ended 31 March 2025, the Company acquired assets with a cost of (31 March 2025 - RO'000 982) (31 March 2024: RO'000 1,007).

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE PERIOD ENDED 31 MARCH 2025 (continued)

8. Inventories

	31 March 2025 RO ('000)	31 December 2024 RO ('000)
Petroleum products	4,369	3,665
General stores and consumables	741	736
Fuel cards	120	121
	<u>5,230</u>	<u>4,522</u>
Less: provision for slow and non-moving inventories	<u>(272)</u>	<u>(262)</u>
	<u>4,958</u>	<u>4,260</u>

Movement in the provision for slow and non-moving inventories is as follows:

	31 March 2025 RO ('000)	31 December 2024 RO ('000)
At 1 January	262	321
Charge for the period / year	10	(59)
At 30 March /31 December	<u>272</u>	<u>262</u>

9. Bank and cash balance

	31 March 2025 RO ('000)	31 December 2024 RO ('000)
Cash at bank	7,906	21,946
Less: allowance for expected credit loss	<u>(23)</u>	<u>(23)</u>
	<u>7,883</u>	<u>21,923</u>
Cash in hand	47	47
	<u>7,930</u>	<u>21,970</u>

Movement in the allowance for expected credit loss is as follows:

	31 March 2025 RO ('000)	31 December 2024 RO ('000)
At 1 January	23	186
Charge for the period / year	-	(163)
At 30 March /31 December	<u>23</u>	<u>23</u>

10. Trade and other receivables

	31 March 2025 RO ('000)	31 December 2024 RO ('000)
Trade receivables	88,019	79,880
Less: allowance for expected credit losses	<u>(7,090)</u>	<u>(7,090)</u>
	<u>80,929</u>	<u>72,790</u>
Prepayments	957	804
Accrued income	931	903
Staff receivables	124	127
Other advances and receivables	<u>3,607</u>	<u>2,165</u>
	<u>86,548</u>	<u>76,789</u>

- a) Trade receivables are non-interest bearing, unsecured and are generally on terms up to 90-180 days (2024 – 90-180 days). Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Company to obtain collateral over receivables.

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE PERIOD ENDED 31 MARCH 2025 (continued)

10. Trade and other receivables (continued)

b) The movement in allowance for expected credit losses against trade receivables is as follows:

	31 March 2025 RO ('000)	31 December 2024 RO ('000)
At 1 January	7,090	9,676
Charge for the period / year	-	285
Receivables write off	-	(2,871)
At 30 March /31 December	<u>7,090</u>	<u>7,090</u>

11. Share capital

The authorized share capital of the Company consists of 85 million shares (2024 – 85 million shares) of RO 0.100 each (2024 – RO 0.100 each). The issued and paid-up share capital of the Company consists of 69 million shares (2024 – 69 million shares) of RO 0.100 each (2024 – 0.100 each).

12. Trade and other payables

	31 March 2025 RO ('000)	31 December 2024 RO ('000)
Trade payables	43,102	43,720
Accrued expenses	4,914	5,132
Advances from customers	785	785
Interest Payable	-	17
Other payables	2,056	2,671
	<u>50,857</u>	<u>52,325</u>

13. Interest bearing loans and borrowings

Short term loans are obtained from local commercial banks in the Sultanate of Oman and carry interest at commercial rates. The interest rates are subject to re-negotiation with the banks on a periodic basis. The facility agreement with a local commercial bank contains certain restrictive covenants which, if violated, can permit the bank to withdraw the facilities.

14. Segmental information

Operating segments are the business units from which reportable segments derive their revenue.

The reportable operating segments Company derives its revenue mainly from the sale of petroleum products.

Information reported to the Company's Chief Executive Officer for purposes of resource allocation and assessment of segment performance is more specifically focused on the category of business units.

The Company's reportable segments include retail, commercial and other sales. Other sales are predominantly aviation fuel and an insignificant portion of lubricants.

Retail segments represent the most significant component of revenue for the Company.

15. Related party transactions

The Company enters into transactions in the ordinary course of business with key management personnel (including Board of Directors) and entities in which the key Management personnel / significant shareholders of the Company have significant influence or control. Prices and terms of payment for these transactions are approved by the Management and the Board of Directors.

These transactions are entered into on terms and conditions approved by the management and Board of Directors and subject to shareholders' approval at the Annual General Meeting.

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE PERIOD ENDED 31 MARCH 2025 (continued)

15. Related party transactions (continued)

Transactions with related parties included in the statement of comprehensive income are as follows:

	31 March 2025 RO ('000)	31 March 2024 RO ('000)
Transactions with other entities related to Directors:		
Revenue	-	197
Transactions with Directors:		
Directors' remuneration and sitting fees	20	17
	20	17

16. Income tax

	31 March 2025 RO ('000)	31 March 2024 RO ('000)
Statement of comprehensive income		
Current period	154	231
Deferred tax	-	-
	<u>154</u>	<u>231</u>

The Company is subject to income tax at 15% (2024 – 15%) of taxable profits.

The Company's tax assessment for the year 2018 has been taken up by the Oman Tax Authority and the Company has been issued a demand for payment of additional tax charge of RO 22 thousand due to dis-allowance of directors' remuneration for the year 2018 amounting to RO 148 thousand based on internal guidelines of the Tax Authority. The Company has not accepted this disallowance on the basis that the director's remuneration paid for the year 2018 is in accordance with article 101 of Legislations Regulating the Joint Stock Companies listed in Muscat Stock Exchange. Based on the clarification received from the Financial Services Authority in this regard, the Company has filed an objection with the Tax Authority for the disallowance of directors' remuneration and the demand for additional tax charge as referred above.

The taxation assessment for the year 2021 till 2024 have not been finalized by the Taxation Authority. The management considers that the amount of additional taxes, if any, that may become payable on finalization of the taxation assessment for the above tax year, may not be material to the financial position at the end of the reporting period.

17. Commitments and contingencies

a) At 31 March 2025, the Company had capital commitments amounting to RO 4,331 ('000) (31 Dec 2024: RO 3,843 ('000)).

b) Other contingencies:

i) In December 2015, a civil case, connected to a criminal case initiated against the former Managing Director and the former Senior Marketing Manager of the Company, had been filed by a party claiming RO 1,846,600 from the Company. The case has been rejected by Primary and Appeal Courts and has been raised to the Higher Supreme Court. Based upon external legal advice, the Board of Directors consider that the Company has no legal responsibility in respect of these two cases and, accordingly, no provision has been made against this claim in the interim condensed financial statements on the basis that management believes the possibility of significant loss to the Company arising is less than probable.

ii) In previous years, the Company received claims from a major fuel supplier in Oman in respect of:

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE PERIOD ENDED 31 MARCH 2025 (continued)

17. Commitments and contingencies (continued)

c) Price differential between the international and domestic gasoil prices payable in respect of fuel supplied during prior years to a customer amounting to approximately RO 820,000 as per the notification received from the Ministry of Finance by the fuel supplier. The Company has disputed the claim and considers that the sale was a domestic fuel sale based upon a notification received from the Ministry of Energy and Minerals in this regard and not an international sale, as contested by the fuel supplier.

b) The fuel supplier has also claimed interest of approximately RO 406,000 (31 December 2024: RO 406,000) in respect of non-settlement of the claim (i) by the Company.

Based upon the review of the correspondences with the supplier relating to the above claims and in-house legal counsel, the Company is constantly monitoring the status of these claims and maintains adequate reserves to cover any liability that may arise.

18. Climate related risks

The Company and its customers may face significant climate-related risks in the future. These risks include the threat of financial loss and adverse non-financial impacts that encompass the political, economic and environmental responses to climate change. The key sources of climate risks have been identified as physical and transition risks. Physical risks arise as the result of acute weather events such as hurricanes, floods and wildfires, and longer-term shifts in climate patterns, such as sustained higher temperatures, heat waves, droughts and rising sea levels and risks. Transition risks may arise from the adjustments to a net-zero economy, e.g., changes to laws and regulations, litigation due to failure to mitigate or adapt, and shifts in supply and demand for certain commodities, products and services due to changes in consumer behaviour and investor demand. These risks are receiving increasing regulatory, political and societal scrutiny, both within the country and internationally.

While certain physical risks may be predictable, there are significant uncertainties as to the extent and timing of their manifestation. For transition risks, uncertainties remain as to the impacts of the impending regulatory and policy shifts, changes in consumer demands and supply chains. The Company is making progress on embedding climate risk in its risk framework.