

## Chairman's Report



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the interim unaudited Financial Statements for the three-month period ended 31 March 2024.

### Financial Performance Highlights (RO'000)

	Jan-Mar 2024 (RO '000)	Jan-Mar 2023 (RO'000)	Increase / (Decrease) RO'000	Increase / (Decrease) %
<b>Sales</b>	<b>121,069</b>	120,871	198	0.2 %
Cost of Sales	(114,886)	(114,420)	466	0.4 %
<b>Gross profit</b>	<b>6,183</b>	6,451	(268)	(4 %)
Other income	<b>1,627</b>	1,491	136	9 %
Finance income	<b>306</b>	336	(30)	(9 %)
Total expenses	(6,806)	(6,673)	133	2 %
<b>Net profit after tax</b>	<b>1,310</b>	1,605	(295)	(18 %)
<hr/>				
Earnings per share (RO)	<b>0.019</b>	0.023	(0.004)	(18 %)

- Total revenue increased to RO 121.1 million during the period from January to March 2024, compared to RO 120.9 million during the same period in 2023, an increase of 0.2% due to a 3% increase in sales volume.
- Other Income grew by 9%, reaching RO 1.6 million in the first quarter of 2024 compared to RO 1.5 million in the first quarter of 2023, mainly due to an increase in Non-Fuel Revenues.
- The net profit for Q1 2024 decreased by 18% compared to Q1 2023, primarily due to the one-off high-margin naphtha supply contract executed in the Q1 of 2023. Excluding this exception revenue, the Company's regular sales continued to show positive growth in Q1 2024, underscoring the strength and resilience of the Company's core business activities.

## Chairman's Report (continued)



### Market Segments Performance:

The Company's strategy is focused on enhancing its brand and enriching customer experiences through the launch of successful marketing campaigns and fostering customer partnerships, in addition to ongoing investments in technology to improve customer experiences and provide innovative products and services.

During the period from January to March 2024, sales volume increased by 3%, indicating a growing demand for the Company's products and services, as summarised below:

- Retail Segment sales volume has gone up by 5%
- Commercial Segment sales volume has decreased by 1%
- Aviation Segment sales volume has decreased by 6%
- Lubricants Segment sales have increased by 15%

### 1) Retail Segment

During the first quarter of 2024, the Retail Segment, which accounts for 75% of the Company's total sales volume, continued to affirm its vital role as a primary driver of the Company's revenues, recording a 5% increase in sales volume, reflecting the Company's successful strategy in maintaining customer satisfaction and loyalty, through various "customer value addition programmes". Additionally, the same period saw the opening of two new fuel stations, bringing the total number of fuel stations to 249 across the Sultanate, in addition to the revamping and renovation of two fuel stations to align with the Company's comprehensive development plan.

The Company continues its efforts to improve and expand its network to enhance the customer experience, with several new stations, c-stores and service centers currently receiving final touches, set to open soon to provide exceptional services and a unique experience for customers.

### 2) Commercial Segment

During this period, the Commercial Segment experienced a modest 1% decline in sales volume, due to the one-off exceptional revenue of Naptha sales to Duqm Refinerty registered in Q1 of 2023. Excluding this, sales of other products in the segment increased by 6%, indicating an improvement in business amidst challenges arising from customers' shift towards using gas as an alternative energy source. Despite intense competition in this sector, there are positive indicators of growth supported by increased Government spending and foreign investments in infrastructure projects, which will help drive growth and enhance business activity. The company is capitalizing on these emerging opportunities by adopting specific strategies that allow it to leverage current economic trends and to improve its competitiveness in the market.

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### **3) Aviation segment**

In the first quarter of 2024, the Aviation Segment faced challenges due to a 6% decrease in sales volume. This decline was primarily due to a 19% reduction in demand from one of the key customers. Despite this, the Company managed to mitigate the impact of this decrease by achieving a 24% increase in sales from other customers. Additionally, the Company succeeded in expanding and diversifying its revenue through its effective management of fuel farm at Muscat International Airport, where the income of this operation grew by 15%. These results demonstrate the Company's ability to adapt to changing market conditions and enhance its stability in this sector.

### **4) Lubricant Segment**

The Lubricant Segment experienced a significant increase in sales volume by 15% compared to the same period last year, driven by the positive response to the new brand "AMPRO" and the Company's success in expanding its customer base through strategies to access new channels.

### **Quality, Health, Safety and Environment (QHSE)**

The Company is committed to the highest standards of quality, health, safety, and environmental practices in its business activities, focusing on sustainable development and creating a safe working environment for employees. Maintaining the health and safety of customers and the community is a top priority.

The Company regularly monitors and reviews compliance with quality, health, safety, and environmental regulations across various units and departments.

During the period, comprehensive audits of QHSE systems were conducted at several Company's offices, sites, and projects. Additionally, a series of specialized training programs in the areas of quality, health, safety, and environment were organized to enhance awareness and improve employees' competence.

### **Corporate Social Responsibility**

The Company prioritizes its commitment to social responsibility, focusing on supporting education, health, and the environment, and enhancing the development of local communities. During the first quarter of 2024, the Company undertook multiple initiatives, including supporting charitable institutions and nonprofit organizations, reflecting its commitment to being an active and responsible member of the community. These efforts are aimed at providing thoughtful and tangible support that matches the needs of the communities it operates in, and are targeted to achieve a direct positive impact on society.

## Chairman's Report (continued)



### Dividend

In line with the Company's consistent dividend policy of maintaining a sustainable dividend payment, the shareholders at the Annual General Meeting held on 26 March 2024 approved a cash dividend distribution of 90 balsa per share (90% of share capital), totalling RO 6.210 million for the year ended 31 December 2023, which were fully paid in early April 2024.

### Future Outlook

The economic trends in the Sultanate forecast a bright future, as the Government persistently commits to implementing the Tenth Five-Year Development Plan and the goals of Oman Vision 2040 aimed at economic diversification, enhancing the role of the private sector, and increasing employment opportunities for Omanis.

The Government is expected to continue its efforts to improve the investment environment and support small and medium-sized enterprises as key growth elements. Additionally, major infrastructure projects and digital transformation initiatives are anticipated to boost economic growth effectively.

As the first quarter of the year passes, your Company's outlook for 2024 remains measured and optimistic. The Company is committed to supporting national economic objectives, sustainable development, and enhancing prosperity through a strategic approach that leverages opportunities and addresses challenges arising from economic conditions.

### Acknowledgment

On behalf of the Board of Directors and executive management, I take this opportunity to express our most sincere gratitude and loyalty to His Majesty Sultan Haitham bin Tariq and his efforts toward a prosperous Oman.

We thank the Ministry of Energy and Minerals, the Ministry of Commerce, Industry and Investment Promotion, OQ Refineries, our shareholders, customers, and officials of the Financial Services Authority, the Muscat Stock Exchange, and Muscat Clearing & Depository Company for their valuable support and co-operation. We also appreciate the dedicated and committed service of our staff members.



**Dr. Saif Salim Saif Al-Harhi**

Chairman

28 April 2024

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**AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG**

**Unaudited interim condensed financial statements**

**For the three months period ended 31 March 2024**

## REPORT ON REVIEW OF UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF AL MAHA PETROLEUM PRODUCTS MARKETING CO. SAOG

### Introduction

We have reviewed the accompanying interim condensed statement of financial position of Al Maha Petroleum Products Marketing Co. SAOG ("the Company") as at 31 March 2024 and the related interim condensed statement of comprehensive income for the three-month period then ended, and the related interim condensed statement of changes in equity and interim condensed statement of cash flows for the three months period then ended and a summary of material accounting policy information.

Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Accounting Standard 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information does not give a true and fair view of the financial position of the entity as at March 31, 2024, and of its financial performance and its cash flows for the three-month period then ended in accordance with IAS 34 - interim financial information.



2 June 2024  
Muscat



## **AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG**

Interim condensed statement of comprehensive income

For the three months period ended 31 March 2024

		<i>Three months ended</i>	
		<i>31 March</i>	
		<b>2024</b>	<b>2023</b>
		<b>RO '000</b>	<b>RO '000</b>
	<i>Notes</i>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Revenue	3	<b>121,069</b>	120,871
Cost of sales		<b>(114,886)</b>	(114,420)
<b>Gross Profit</b>		<b>6,183</b>	6,451
Other operating income	4	<b>1,627</b>	1,491
Operating and administrative expenses	5	<b>(5,987)</b>	(5,905)
<b>Operating Profit</b>		<b>1,823</b>	2,037
Finance costs	6	<b>(588)</b>	(561)
Finance income		<b>306</b>	336
<b>Profit before income tax</b>		<b>1,541</b>	1,812
Income tax expense	16	<b>(231)</b>	(207)
<b>Profit and total comprehensive income for the period</b>		<b>1,310</b>	1,605
Basic and diluted earnings per share (RO)		<b>0.019</b>	0.023

The attached notes 1 to 18 form part of these interim condensed financial statements.

# AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

## Interim condensed statement of financial position

As at 31 March 2024

		31 March 2024	31 December 2023
		RO'000	RO'000
	Notes	(Unaudited)	(Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	29,593	29,428
Investment properties		435	447
Right-of-use asset		6,378	6,296
Contract assets		2,557	2,643
Deferred tax assets	16	2,776	2,776
		<u>41,739</u>	<u>41,590</u>
<b>Current assets</b>			
Inventories	8	4,706	4,013
Trade and other receivables	10	79,563	76,560
Contract assets		1,952	1,952
Short term deposit		2,000	-
Bank balances and cash	9	17,345	42,389
		<u>105,566</u>	<u>124,914</u>
<b>TOTAL ASSETS</b>		<u><u>147,305</u></u>	<u><u>166,504</u></u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	11	6,900	6,900
Legal reserve		2,300	2,300
Special reserve		2,104	2,104
Retained earnings		31,772	36,672
<b>Total equity</b>		<u>43,076</u>	<u>47,976</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities		6,271	6,152
Employees' end of service benefits		252	251
		<u>6,523</u>	<u>6,403</u>
<b>Current liabilities</b>			
Trade and other payables	12	48,273	49,192
Short term borrowings	13	39,618	59,559
Dividend payable		6,210	-
Lease liabilities		659	659
Contract liabilities		1,444	1,444
Income tax payable	16	1,502	1,271
		<u>97,706</u>	<u>112,125</u>
<b>Total liabilities</b>		<u>104,229</u>	<u>118,528</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><u>147,305</u></u>	<u><u>166,504</u></u>
Net assets per share (RO)		<u>0.624</u>	<u>0.695</u>

These interim condensed financial statements were approved and authorized for issue by the Board of Directors on 28 April 2024 and signed on their behalf by:

Chairman

Director

The attached notes 1 to 18 form part of these interim condensed financial statements.

*[Signature]*

*[Signature]*

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*[Signature]*



## **AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG**

Interim condensed statement of changes in equity

For the three months period ended 31 March 2024

	<b>Share capital RO'000</b>	<b>Legal reserve RO'000</b>	<b>Special reserve RO'000</b>	<b>Retained earnings RO'000</b>	<b>Total Equity RO'000</b>
At 1 January 2023 (Audited)	6,900	2,300	2,104	36,224	47,528
Profit and total comprehensive income for the period (unaudited)	-	-	-	1,605	1,605
Cash dividends (unaudited)	-	-	-	(5,865)	(5,865)
At 31 March 2023 (unaudited)	<u>6,900</u>	<u>2,300</u>	<u>2,104</u>	<u>31,964</u>	<u>43,268</u>
<b>At 1 January 2024 (Audited)</b>	<b>6,900</b>	<b>2,300</b>	<b>2,104</b>	<b>36,672</b>	<b>47,976</b>
<b>Profit and total comprehensive income for the period (unaudited)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,310</b>	<b>1,310</b>
<b>Cash dividends (unaudited)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,210)</b>	<b>(6,210)</b>
<b>At 31 March 2024 (unaudited)</b>	<b><u>6,900</u></b>	<b><u>2,300</u></b>	<b><u>2,104</u></b>	<b><u>31,772</u></b>	<b><u>43,076</u></b>

The attached notes 1 to 18 form part of these interim condensed financial statements.

## AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Interim condensed statement of cash flows

For the three months period ended 31 March 2024

		<i>Three months ended</i>	
		<i>31 March</i>	
		<b>2024</b>	2023
		<b>RO'000</b>	RO'000
Notes		<b>(Unaudited)</b>	<i>(Unaudited)</i>
<b>OPERATING ACTIVITIES</b>			
	Profit before tax	1,541	1,812
<b>Adjustments for:</b>			
	Depreciation on property, plant and equipment	842	837
	Depreciation on right of use assets	286	222
	Depreciation on investment properties	12	12
	Accrual for employees' end of service benefits	17	8
	Amortisation of contract assets	55	54
	Provision for slow moving inventory	(83)	11
	Finance income	(306)	(336)
	Finance costs	588	561
	<b>Cashflows from operations before working capital changes</b>	<b>2,952</b>	3,181
	Inventories	(610)	36
	Trade and other receivables	(2,972)	2,782
	Trade and other payables	(919)	(3,363)
	<b>Cashflows from operations after working capital changes</b>	<b>(1,549)</b>	2,636
	Employees end of service benefits paid	(16)	-
	<b>Net cash flows (used in) / from operating activities</b>	<b>(1,565)</b>	2,636
<b>INVESTING ACTIVITIES</b>			
	Purchases of property, plant and equipment	(1,007)	(1,413)
	Short term deposit	(2,000)	-
	Finance income received	306	336
	<b>Net cash flows used in investing activities</b>	<b>(2,701)</b>	(1,077)
<b>FINANCING ACTIVITIES</b>			
	Payment of principal portion of lease liabilities	(356)	(359)
	Proceeds from short-term borrowings	120,868	151,416
	Repayment of short-term borrowings	(140,809)	(125,383)
	Finance costs paid	(481)	(456)
	Dividend paid	-	(5,865)
	<b>Net cash flows (used in) / from financing activities</b>	<b>(20,778)</b>	19,353
	<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(25,044)</b>	20,912
	Cash and cash equivalents at 1 January	42,389	35,241
	<b>Cash and cash equivalents at 31 March</b>	<b>17,345</b>	56,153

The attached notes 1 to 18 form part of these interim condensed financial statements.

# AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the three months period ended 31 March 2024

## 1 LEGAL STATUS AND PRINCIPAL ACTIVITIES

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.

## 2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

### Statement of compliance

The unaudited interim condensed financial statements for the three months period ended 31 March 2024 of the Company are prepared in accordance with International Accounting Standards (IAS) 34, 'Interim Financial Reporting'.

### 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 2023. In addition, results for the period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year 2024.

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.

### 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 2023, except for the adoption of new standards effective as of 1 January 2024. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

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.

## 3 REVENUE

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>RO'000</i>	<i>RO'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue from sale of goods	88,416	84,672
Revenue from contract with customers	32,653	36,199
	<b>121,069</b>	<b>120,871</b>

# AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the three months period ended 31 March 2024

## 3 REVENUE (continued)

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>RO'000</i>	<i>RO'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Types of sales</b>		
Retail	88,416	84,672
Commercial	19,082	20,670
Others	13,571	15,529
	<u>121,069</u>	<u>120,871</u>
<b>Geographical market</b>		
Domestic market	<u>121,069</u>	<u>120,871</u>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	<u>121,069</u>	<u>120,871</u>

## 4 OTHER OPERATING INCOME

Other operating 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

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>RO'000</i>	<i>RO'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Employee benefit expenses	1,603	1,615
Operating expenses	2,850	2,831
Administrative and general expenses	340	333
Depreciation and amortisation	1,194	1,126
	<u>5,987</u>	<u>5,905</u>

## 6 FINANCE COSTS

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>RO'000</i>	<i>RO'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interest on bank borrowings	481	449
Interest on lease liabilities	107	112
	<u>588</u>	<u>561</u>

# AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the three months period ended 31 March 2024

## 7 PROPERTY PLANT AND EQUIPMENT

During the Three months ended 31 March 2024, the Company acquired assets with a cost of RO('000) 1,007 (31 March 2023: RO ('000) 1,413).

## 8 INVENTORIES

	<b>31 March 2024 RO'000 (Unaudited)</b>	<b>31 December 2023 RO'000 (Audited)</b>
Petroleum products	4,244	3,661
General stores and consumables	571	574
Fuel cards	129	99
	<u>4,944</u>	<u>4,334</u>
Less: Provision for slow and non-moving inventories	<u>(238)</u>	<u>(321)</u>
	<u><u>4,706</u></u>	<u><u>4,013</u></u>

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

	<b>31 March 2024 RO'000 (Unaudited)</b>	<b>31 December 2023 RO'000 (Audited)</b>
At 1 January	321	289
Charge for the period / year	<u>(83)</u>	<u>32</u>
At 31 March /31 December	<u><u>238</u></u>	<u><u>321</u></u>

## 9 BANK BALANCES AND CASH

	<b>31 March 2024 RO'000 (Unaudited)</b>	<b>31 December 2023 RO'000 (Audited)</b>
Cash at bank	17,488	42,239
Less: Allowance for expected credit loss	<u>(186)</u>	<u>(186)</u>
	<u>17,302</u>	<u>42,053</u>
Cash in hand	43	336
	<u><u>17,345</u></u>	<u><u>42,389</u></u>

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

	<b>31 March 2024 RO'000 (Unaudited)</b>	<b>31 December 2023 RO'000 (Audited)</b>
At 1 January	186	147
Charge for the period / year	<u>-</u>	<u>39</u>
At 31 March /31 December	<u><u>186</u></u>	<u><u>186</u></u>

# AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the three months period ended 31 March 2024

## 10 TRADE AND OTHER RECEIVABLES

	<b>31 March 2024 RO'000 (Unaudited)</b>	<b>31 December 2023 RO'000 (Audited)</b>
Trade receivables	83,980	81,881
Less: Allowance for expected credit losses	<u>(9,676)</u>	<u>(9,676)</u>
	<b>74,304</b>	<b>72,205</b>
Prepayments	795	708
Accrued income	31	17
Staff receivables	113	120
Other advances and receivables	<u>4,320</u>	<u>3,510</u>
	<b><u>79,563</u></b>	<b><u>76,560</u></b>

Trade receivables are non-interest bearing, unsecured and are generally on terms up to 90-180 days (2023 – 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.

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

	<b>31 March 2024 RO'000 (Unaudited)</b>	<b>31 December 2023 RO'000 (Audited)</b>
At 1 January	9,676	9,400
Charge for the period / year	<u>-</u>	<u>276</u>
At 31 March /31 December	<b><u>9,676</u></b>	<b><u>9,676</u></b>

## 11 SHARE CAPITAL

The authorised share capital of the Company consists of 85 million shares (2023 – 85 million shares) of RO 0.100 each (2023 – RO 0.100 each). The issued and paid-up share capital of the Company consists of 69 million shares (2023 – 69 million shares) of RO 0.100 each (2023 – 0.100 each).

## 12 TRADE AND OTHER PAYABLES

	<b>31 March 2024 RO'000 (Unaudited)</b>	<b>31 December 2023 RO'000 (Audited)</b>
Trade payables	42,179	42,484
Accrued expenses	3,804	4,119
Advances from customers	547	435
Other payables	<u>1,743</u>	<u>2,154</u>
	<b><u>48,273</u></b>	<b><u>49,192</u></b>

# AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the three months period ended 31 March 2024

## 13 SHORT TERM 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 segment 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.

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

<i>Three months ended</i>	
<i>31 March</i>	
<i>2024</i>	<i>2023</i>
<i>RO'000</i>	<i>RO'000</i>
<i>(Unaudited)</i>	<i>(Unaudited)</i>

### Transactions with other entities related to Directors:

Revenue	<u>197</u>	<u>-</u>
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### Transactions with Directors:

Directors' remuneration and sitting fees	<u>17</u>	<u>18</u>
	<u>17</u>	<u>18</u>

# AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Notes to the interim condensed financial statements

For the three months period ended 31 March 2024

## 16 INCOME TAX

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>RO'000</i>	<i>RO'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<b>Statement of comprehensive income</b>		
Current period	231	215
Deferred tax	-	(8)
	<u>231</u>	<u>207</u>

The Company is subject to income tax at 15% (2023 – 15%) of taxable profits.

The taxation assessment for the years 2021 and 2022 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 2024, the Company had capital commitments amounting to RO 3,248 ('000) (31 Dec 2023 : RO 3,047 ('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 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:
    - a) 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 (2023: 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.



# **AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG**

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Notes to the interim condensed financial statements

For the three months period ended 31 March 2024

## **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.