

Directors' Report



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the interim unaudited Financial Statements for the nine-month period ended 30 September 2024.

Financial Performance Highlights (RO'000)

| | Jan-Sep 2024 (RO '000) | Jan-Sep 2023 (RO'000) | Increase/(Decrease) RO'000 | Increase/(Decrease) % |
|-------------------------|---------------------------|--------------------------|-------------------------------|--------------------------|
| Sales | 385,436 | 367,092 | 18,344 | 5% |
| Cost of Sales | (364,179) | (345,846) | 18,333 | 5% |
| Gross profit | 21,257 | 21,246 | 11 | 0.05% |
| Other Income | 5,103 | 4,795 | 308 | 6% |
| Total expenses | (21,359) | (20,523) | 836 | 4% |
| Net profit after tax | 5,001 | 5,518 | (517) | (9%) |
| Earnings per share (RO) | 0.0725 | 0.0800 | 0.0075 | (9%) |

- Total revenue grew by 5%, or RO 18 million, from RO 367 million in Jan-Sep 2023 to RO 385 million in Jan-Sep 2024, driven by a 6% increase in sales volume.
- Other Income grew by 6%, reaching RO 5.1 million in Jan-Sep 2024 compared to RO 4.8 million in the same period of 2023, mainly due to an increase in Non-Fuel Revenues.
- Net profit for the period amounts to RO 5 million, a 9% decrease compared to the same period in 2023. This reduction was primarily driven by a lower gross margin in the aviation segment, attributed to declining international fuel prices and decreased sales of high-margin JP8 aviation fuel. Additionally, the commercial segment saw a decline in gross margin due to one-off naphtha sales to Duqm Refinery in the previous year. Furthermore, total expenses increased by 4%, largely due to a 6% rise in sales volume.

Chairman's Report (continued)



Market Segments Performance:

The Company's strategy is centered on strengthening its brand and elevating customer experiences through effective marketing initiatives, solid partnerships, and continuous investment in technology to deliver innovative products and services. This approach has positioned the Company as a leader in its sector, consistently meeting evolving market demands while maintaining a strong focus on sustainability and operational excellence.

As a result, sales volumes grew by 6% during the period Jan-Sep 2024, reflecting the increasing demand for the Company's offerings, as outlined below:

- Retail Segment sales volume has gone up by 7%
- Commercial Segment sales volume has increased by 10%
- Aviation Segment sales volume has decreased by 1%
- Lubricants Segment sales have increased by 11%

1) Retail Segment

During the period from January to September 2024, the Retail Segment, accounting for 75% of the Company's total sales volume, reaffirmed its pivotal role as the primary revenue generator, delivering an impressive 7% growth in sales volume. This strong performance underscores the success of the Company's strategy in driving customer satisfaction and loyalty through innovative value-added programs, positioning the Retail Segment as a key contributor to the Company's sustained growth and market leadership.

Over the course of this year, five new fuel stations were successfully commissioned, expanding the Company's retail network to an impressive 252 stations across the Sultanate. Additionally, four existing stations were modernized as part of the Company's continuous development plan. This ongoing commitment to growth and innovation reflects the Company's dedication to enhancing the customer experience at every touchpoint. The company is also constructing several new fuel stations, retail stores, and service centers, which are expected to open soon.

2) Commercial Segment

During this period, the Commercial Segment, which represents bulk sales, experienced a notable 10% increase in sales volume, reflecting improvement despite challenges from some major customers shifting to gas as an alternative energy source. Despite intense competition, positive growth indicators are evident, supported by increased government spending and foreign investments in infrastructure projects. These factors are expected to drive growth and enhance business activity. The Company is capitalizing on these opportunities by implementing strategies to leverage current economic trends and improve its market competitiveness.

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3) Aviation segment

In the period from January to September 2024, the Aviation Segment encountered challenges with a slight 1% decline in sales volume, mainly due to by reduced demand from a key customer. However, the Company effectively minimized the impact by diversifying its customer base and increasing sales to other commercial airlines, demonstrating its agility and ability to adapt to market shifts. This strategic response helped sustain the segment's overall performance and maintain its competitive edge.

4) Lubricant Segment

The Lubricant Segment saw an impressive 11% surge in sales volume compared to the same period last year, fueled by the strong market reception of the new "AMPRO" brand. This growth was further supported by the Company's strategic initiatives to broaden its customer base and tap into new distribution channels, demonstrating the effectiveness of its market expansion efforts and reinforcing its position in the industry.

5) Non-Fuel Retail Segment

Aligned with the Company's strategic vision to drive sustainable growth and diversify operations in response to the ever-evolving business landscape, the Company has proudly announced the launch of two flagship projects of national significance. The first, the **"Ghubrah Front Project,"** developed in partnership with the Saud Bahwan Group, and the second, **"Al Maha Walk,"** in collaboration with the Ministry of Culture, Sports, and Youth (MoCSY). These initiatives are set to offer exceptional experiences for both the community and visitors, further enhancing the cultural and recreational landscape of Muscat Governorate and the Sultanate of Oman.

"Al Maha Plus" App Launches to Revolutionize Customer Experience

As part of the Company's ongoing commitment to digital transformation, May 2024 saw the launch of the innovative "Al Maha Plus" mobile application. Designed to enhance the customer journey, the app offers seamless transactions, loyalty rewards, and a convenient service locator. With its intuitive, user-friendly interface and a range of powerful new features, "Al Maha Plus" makes it easier than ever for users to manage their fuel consumption, track rewards, and access services with just a few taps, delivering a superior digital experience.

Quality, Health, Safety and Environment (QHSE)

The Company is committed to maintaining the highest QHSE standards, with a focus on sustainable development and a safe working environment. Ensuring the health and safety of customers and the community remains a top priority. Regular audits were conducted across offices, sites, and projects, while specialized training programs were held to improve employee awareness and competence in QHSE.

Chairman's Report (continued)



Corporate Social Responsibility

The Company is deeply committed to social responsibility, with a focus on education, health, the environment, and community development. Between January and September 2024, the Company launched several impactful initiatives, including support for charitable organizations and nonprofits, reinforcing its role as an active and responsible member of the community. These efforts are designed to provide meaningful, targeted support to address the specific needs of the communities it serves, ensuring a direct and positive impact on society.

Future Outlook

The Sultanate's economic outlook remains promising, driven by the government's firm commitment to the Tenth Five-Year Development Plan and Oman Vision 2040. These initiatives focus on economic diversification, strengthening the role of the private sector, and increasing employment opportunities for Omanis. The government is expected to continue fostering a favorable investment climate and supporting SMEs as essential engines of growth. Additionally, large-scale infrastructure projects and ongoing digital transformation efforts are set to further propel economic growth.

The recent upgrade in Oman's credit rating to BBB- by Standard & Poor's highlights the country's improved financial stability and a more favorable investment environment. This milestone reflects the government's successful efforts to reduce public debt, control spending, and enhance economic growth, all of which boost investor confidence and open doors for more competitive borrowing rates. These improvements are expected to contribute significantly to the realization of Oman Vision 2040 objectives.

As we approach the end of the year, the Company's outlook for 2024 remains cautiously optimistic. The Company is committed to supporting national economic goals, promoting sustainable development, and enhancing prosperity through a strategic approach that maximizes opportunities while addressing emerging challenges in the economic landscape.

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-Harthy
Chairman

27 October 2024

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

**Unaudited interim condensed financial statements
For the nine months period ended 30 September 2024**

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Introduction

We have reviewed the accompanying interim condensed financial statements of Al Maha Petroleum Products Marketing Company SAOG ("the Company") as at 30 September 2024 which comprise the interim condensed statements of financial position as at 30 September 2024 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the nine months period then ended and explanatory notes.

Management is responsible for the preparation and presentation of this interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" (IAS 34). Our responsibility is to express a conclusion on this interim 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 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 statements are not prepared, in all material respects, in accordance with IAS 34.



4 November 2024
Muscat



AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Interim condensed statement of financial position

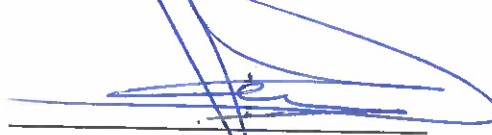
As at 30 September 2024

| | | 30 September 2024 RO'000 (Unaudited) | 31 December 2023 RO'000 (Audited) |
|-------------------------------------|----|---|--|
| ASSETS | | | |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 29,418 | 29,428 |
| Investment properties | | 411 | 447 |
| Right-of-use assets | | 6,317 | 6,296 |
| Contract assets | | 2,766 | 2,643 |
| Deferred tax assets | | 2,844 | 2,776 |
| | | <u>41,756</u> | <u>41,590</u> |
| Current assets | | | |
| Inventories | 8 | 5,024 | 4,013 |
| Trade and other receivables | 10 | 89,228 | 76,560 |
| Contract assets | | 1,493 | 1,952 |
| Short term deposits | | 6,000 | - |
| Bank balances and cash | 9 | 33,199 | 42,389 |
| | | <u>134,944</u> | <u>124,914</u> |
| TOTAL ASSETS | | <u>176,700</u> | <u>166,504</u> |
| 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 | | 35,463 | 36,672 |
| Total equity | | <u>46,767</u> | <u>47,976</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Lease liabilities | | 5,805 | 6,152 |
| Employees' end of service benefits | | 266 | 251 |
| | | <u>6,071</u> | <u>6,403</u> |
| Current liabilities | | | |
| Trade and other payables | 12 | 50,609 | 49,192 |
| Short term borrowings | 13 | 69,694 | 59,559 |
| Lease liabilities | | 1,184 | 659 |
| Contract liabilities | | 1,444 | 1,444 |
| Income tax payable | | 931 | 1,271 |
| | | <u>123,862</u> | <u>112,125</u> |
| Total liabilities | | <u>129,933</u> | <u>118,528</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>176,700</u> | <u>166,504</u> |
| Net assets per share (RO) | | <u>0.678</u> | <u>0.695</u> |

These interim condensed financial statements were approved and authorized for issue by the Board of Directors on 27 October 2024 and signed on their behalf by:


Chairman




Director

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

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Interim condensed statement of comprehensive income

For the period ended 30 September 2024

| | Notes | Nine months ended 30 September | | Three months ended 30 September | |
|---|-------|-----------------------------------|------------------------|------------------------------------|------------------------|
| | | 2024 | 2023 | 2024 | 2023 |
| | | RO '000 (Unaudited) | RO '000 (Unaudited) | RO '000 (Unaudited) | RO '000 (Unaudited) |
| Revenue | 3 | 385,436 | 367,092 | 136,840 | 128,044 |
| Cost of sales | | (364,179) | (345,846) | (128,951) | (119,921) |
| Gross profit | | 21,257 | 21,246 | 7,889 | 8,123 |
| Other operating income | 4 | 5,103 | 4,795 | 1,747 | 1,730 |
| Operating and administration expenses | 5 | (19,264) | (18,724) | (6,910) | (6,649) |
| Operating profit | | 7,096 | 7,317 | 2,726 | 3,204 |
| Finance costs | 6 | (2,114) | (1,948) | (807) | (757) |
| Finance income | | 836 | 1,185 | 344 | 491 |
| Profit before income tax | | 5,818 | 6,554 | 2,263 | 2,938 |
| Income tax expense | 16 | (817) | (1,036) | (352) | (488) |
| PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 5,001 | 5,518 | 1,911 | 2,450 |
| Basic and diluted earnings per share (RO) | | 0.072 | 0.080 | 0.028 | 0.036 |

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

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Interim condensed statement of changes in equity

For the nine months period ended 30 September 2024

| | Share capital RO'000 | Legal reserve RO'000 | Special reserve RO'000 | Retained earnings RO'000 | Total RO'000 |
|---|----------------------------|----------------------------|------------------------------|--------------------------------|----------------------|
| At 1 January 2023 (Audited) | 6,900 | 2,300 | 2,104 | 36,224 | 47,528 |
| Profit and total comprehensive income for the period | - | - | - | 5,518 | 5,518 |
| Cash dividends | - | - | - | (5,865) | (5,865) |
| At 30 September 2023 | <u>6,900</u> | <u>2,300</u> | <u>2,104</u> | <u>35,877</u> | <u>47,181</u> |
| At 1 January 2024 (Audited) | 6,900 | 2,300 | 2,104 | 36,672 | 47,976 |
| Profit and total comprehensive income for the period | - | - | - | 5,001 | 5,001 |
| Cash dividends | - | - | - | (6,210) | (6,210) |
| At 30 September 2024 | <u>6,900</u> | <u>2,300</u> | <u>2,104</u> | <u>35,463</u> | <u>46,767</u> |

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

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Interim condensed statement of cash flows

For the nine months period ended 30 September 2024

| | | Nine months ended 30 September | |
|-----------------------------|--|-----------------------------------|----------------|
| | | 2024 | 2023 |
| | | RO'000 | RO'000 |
| | | (Unaudited) | (Unaudited) |
| Notes | | | |
| OPERATING ACTIVITIES | | | |
| | Profit before tax | 5,818 | 6,554 |
| | Adjustments for: | | |
| | Depreciation on property, plant and equipment | 2,562 | 2,538 |
| | Depreciation on right-of-use assets | 801 | 718 |
| | Depreciation on investment properties | 36 | 35 |
| | Accrual for employees' end of service benefits | 31 | 25 |
| | Allowance for expected losses on bank balances | - | 93 |
| | Allowance for expected credit losses on trade receivables | - | 276 |
| | Amortisation of contract assets | 165 | 165 |
| | Provision for slow and non moving inventories | (49) | 32 |
| | Loss / (gain) on disposal of property, plant and equipment | 17 | (5) |
| | Finance income | (836) | (1,185) |
| | Finance costs | 2,114 | 1,948 |
| | Cashflows from operations before working capital changes | 10,659 | 11,194 |
| | Inventories | (962) | (1,266) |
| | Trade and other receivables | (12,497) | (7,762) |
| | Trade and other payables | 1,417 | (2,078) |
| | Cashflows (used in) / from operations after working capital changes | (1,383) | 88 |
| | Employees' end of service benefits paid | (16) | - |
| | Income tax paid | (1,225) | (1,089) |
| | Net cash flows used in operating activities | (2,624) | (1,001) |
| INVESTING ACTIVITIES | | | |
| | Proceeds from disposal of property, plant and equipment | 30 | 5 |
| | Purchases of property, plant and equipment | (2,599) | (3,215) |
| | Short term deposit | (6,000) | - |
| | Finance income received | 836 | 1,185 |
| | Net cash flows used in investing activities | (7,733) | (2,025) |
| FINANCING ACTIVITIES | | | |
| | Payment of principal portion of lease liabilities | (966) | (1,026) |
| | Proceeds from short-term borrowings | 418,335 | 460,630 |
| | Repayment of short-term borrowings | (408,200) | (429,032) |
| | Finance costs paid | (1,792) | (1,625) |
| | Dividend paid | (6,210) | (5,865) |
| | Net cash flows from financing activities | 1,167 | 23,082 |
| | Net (decrease) / increase in cash and cash equivalents | (9,190) | 20,056 |
| | Cash and cash equivalents at 1 January | 42,389 | 35,241 |
| | Cash and cash equivalents at 30 September | 33,199 | 55,297 |

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

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Notes to the interim condensed financial statements

For the period ended 30 September 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.

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.

The principal activity of the branch is to construct and operate filling stations, there were no operations during the period for the branch.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

Statement of compliance

The unaudited interim condensed financial statements for the nine months period ended 30 Septemebr 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 30 Septemebr 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.

3 REVENUE

| | Nine months ended | | Three months ended | |
|--------------------------------------|-----------------------|----------------|-----------------------|----------------|
| | 30 Septemebr | | 30 Septemebr | |
| | 2024 | 2023 | 2024 | 2023 |
| | RO'000 | RO'000 | RO'000 | RO'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Revenue from sale of goods | 282,499 | 264,975 | 100,775 | 93,496 |
| Revenue from contract with customers | 102,937 | 102,117 | 36,065 | 34,548 |
| | <u>385,436</u> | <u>367,092</u> | <u>136,840</u> | <u>128,044</u> |

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Notes to the interim condensed financial statements

For the period ended 30 September 2024

3 REVENUE (continued)

| | Nine months ended 30 Septemehr | | Three months ended 30 Septemehr | |
|--------------------------------------|-----------------------------------|-------------------------------|------------------------------------|-------------------------------|
| | 2024 RO'000 (Unaudited) | 2023 RO'000 (Unaudited) | 2024 RO'000 (Unaudited) | 2023 RO'000 (Unaudited) |
| Types of sales | | | | |
| Retail | 282,499 | 264,975 | 100,775 | 93,496 |
| Commercial | 62,571 | 59,142 | 22,277 | 19,247 |
| Others | 40,366 | 42,975 | 13,788 | 15,301 |
| | <u>385,436</u> | <u>367,092</u> | <u>136,840</u> | <u>128,044</u> |
| Geographical market | | | | |
| Domestic market | <u>385,436</u> | <u>367,092</u> | <u>136,840</u> | <u>128,044</u> |
| Timing of revenue recognition | | | | |
| Goods transferred at a point in time | <u>385,436</u> | <u>367,092</u> | <u>136,840</u> | <u>128,044</u> |

4 OTHER OPERATING INCOME

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 ADMINISTRATION EXPENSES

| | Nine months ended 30 Septemehr | | Three months ended 30 Septemehr | |
|-------------------------------------|-----------------------------------|-------------------------------|------------------------------------|-------------------------------|
| | 2024 RO'000 (Unaudited) | 2023 RO'000 (Unaudited) | 2024 RO'000 (Unaudited) | 2023 RO'000 (Unaudited) |
| Employee benefit expenses | 5,022 | 4,954 | 1,652 | 1,611 |
| Operating expenses | 9,644 | 8,944 | 3,705 | 3,111 |
| Administration and general expenses | 1,035 | 1,370 | 363 | 754 |
| Depreciation and amortisation | 3,563 | 3,456 | 1,190 | 1,173 |
| | <u>19,264</u> | <u>18,724</u> | <u>6,910</u> | <u>6,649</u> |

6 FINANCE COSTS

| | Nine months ended 30 Septemehr | | Three months ended 30 Septemehr | |
|-------------------------------|-----------------------------------|-------------------------------|------------------------------------|-------------------------------|
| | 2024 RO'000 (Unaudited) | 2023 RO'000 (Unaudited) | 2024 RO'000 (Unaudited) | 2023 RO'000 (Unaudited) |
| Interest on bank borrowings | 1,792 | 1,625 | 699 | 654 |
| Interest on lease liabilities | 322 | 323 | 108 | 103 |
| | <u>2,114</u> | <u>1,948</u> | <u>807</u> | <u>757</u> |

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Notes to the interim condensed financial statements

For the period ended 30 September 2024

7 PROPERTY PLANT AND EQUIPMENT

During the nine months ended 30 September 2024, the Company acquired assets with a cost of RO 2,599 thousand (30 September 2023: RO 3,215 thousand).

8 INVENTORIES

| | 30 September 2024 RO'000 (Unaudited) | 31 December 2023 RO'000 (Audited) |
|---|---|--|
| Petroleum products | 4,283 | 3,661 |
| General stores and consumables | 820 | 574 |
| Fuel cards | 193 | 99 |
| | <u>5,296</u> | <u>4,334</u> |
| Less: provision for slow and non-moving inventories | <u>(272)</u> | <u>(321)</u> |
| | <u><u>5,024</u></u> | <u><u>4,013</u></u> |

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

| | 30 September 2024 RO'000 (Unaudited) | 31 December 2023 RO'000 (Audited) |
|---|---|--|
| At 1 January | 321 | 289 |
| (Reversal) / charge for the period / year | <u>(49)</u> | <u>32</u> |
| At 30 September / 31 December | <u><u>272</u></u> | <u><u>321</u></u> |

9 BANK BALANCES AND CASH

| | 30 September 2024 RO'000 (Unaudited) | 31 December 2023 RO'000 (Audited) |
|--|---|--|
| Cash at bank | 33,339 | 42,239 |
| Less: allowance for expected credit losses | <u>(186)</u> | <u>(186)</u> |
| | <u>33,153</u> | <u>42,053</u> |
| Cash in hand | 46 | 336 |
| | <u><u>33,199</u></u> | <u><u>42,389</u></u> |

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

| | 30 September 2024 RO'000 (Unaudited) | 31 December 2023 RO'000 (Audited) |
|-------------------------------|---|--|
| At 1 January | 186 | 147 |
| Charge for the period / year | <u>-</u> | <u>39</u> |
| At 30 September / 31 December | <u><u>186</u></u> | <u><u>186</u></u> |

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Notes to the interim condensed financial statements

For the period ended 30 September 2024

10 TRADE AND OTHER RECEIVABLES

| | 30 September 2024 RO'000 (Unaudited) | 31 December 2023 RO'000 (Audited) |
|--|---|--|
| Trade receivables | 95,702 | 81,881 |
| Less: allowance for expected credit losses | <u>(9,676)</u> | <u>(9,676)</u> |
| | 86,026 | 72,205 |
| Prepayments | 930 | 708 |
| Staff receivables | 147 | 120 |
| Accrued income | 125 | 17 |
| Other advances and receivables | <u>2,000</u> | <u>3,510</u> |
| | 89,228 | 76,560 |

a) Trade receivables are non-interest bearing, unsecured and are generally on terms up to 90-180 days (31 December 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.

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

| | 30 September 2024 RO'000 (Unaudited) | 31 December 2023 RO'000 (Audited) |
|-------------------------------|---|--|
| At 1 January | 9,676 | 9,400 |
| Charge for the period / year | <u>-</u> | <u>276</u> |
| At 30 Septemebr / 31 December | 9,676 | 9,676 |

11 SHARE CAPITAL

The authorised share capital of the Company consists of 85 million shares (31 December 2023 – 85 million shares) of RO 0.100 each (31 December 2023 – RO 0.100 each). The issued and paid-up share capital of the Company consists of 69 million shares (31 December 2023 – 69 million shares) of RO 0.100 each (31 December 2023 – 0.100 each).

12 TRADE AND OTHER PAYABLES

| | 30 September 2024 RO'000 (Unaudited) | 31 December 2023 RO'000 (Audited) |
|-------------------------|---|--|
| Trade payables | 45,317 | 42,484 |
| Accrued expenses | 2,927 | 4,119 |
| Advances from customers | 485 | 435 |
| Other payables | <u>1,880</u> | <u>2,154</u> |
| | 50,609 | 49,192 |

AL MAHA PETROLEUM PRODUCTS MARKETING COMPANY SAOG

Notes to the interim condensed financial statements

For the period ended 30 September 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 include, amongst other restrictions routing of cashflows etc.

14 SEGMENTAL INFORMATION

Management has determined the Company's operating segments based on the reports reviewed by the Chief Executive Officer that are used to make strategic decisions.

The Chief Executive Officer identifies operating segments based on a business perspective. The reportable operating segments derive their revenue primarily from the sale of refined petroleum products. Retail sales amounting to RO 282.5 million (2023: RO 264.9 million) represent the most significant component of revenue for the Company.

15 RELATED PARTY TRANSACTIONS

The Company has entered into transactions with members of the Board of Directors and members of the key management personnel of the Company. Transactions with related parties are considered by the Board of Directors to be at normal commercial terms and are as follows:

| | Nine months ended 30 Septemebr | | Three months ended 30 Septemebr | |
|--|-----------------------------------|-------------|------------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| | RO'000 | RO'000 | RO'000 | RO'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Transactions with Directors: | | | | |
| Directors' remuneration and sitting fees | 51 | 58 | 38 | 20 |
| | <u>51</u> | <u>58</u> | <u>38</u> | <u>20</u> |

At 30 September 2024, there were no transactions with shareholders holding 10% or more interest in the Company (30 September 2023: nil). Amounts due from related parties are interest free and on normal credit terms (30 September 2023: same terms).

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16 INCOME TAX

| | Nine months ended | | Three months ended | |
|--|-------------------|--------------|--------------------|-------------|
| | 30 Septemebr | | 30 Septemebr | |
| | 2024 | 2023 | 2024 | 2023 |
| | RO'000 | RO'000 | RO'000 | RO'000 |
| | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| Statement of comprehensive income | | | | |
| Current period | 885 | 1,035 | 341 | 451 |
| Deferred tax | (68) | 1 | 11 | 37 |
| | <u>817</u> | <u>1,036</u> | <u>352</u> | <u>488</u> |

The Company is subject to income tax at 15% (30 September 2023 – 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 directors 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, 2022 and 2023 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 30 Septemebr 2024, the Company had capital commitments amounting to RO 4,210 thousands (31 December 2023 : RO 3,047 thousands).
- 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:
 - 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 (31 December 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.

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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.