

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

| | Notes | 31 March 2024 RO'000 (Unaudited) | 31 December 2023 RO'000 (Audited) |
|-------------------------------------|-------|--|---|
| ASSETS | | | |
| Non-current assets | | | |
| 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> |
| Current assets | | | |
| 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> |
| TOTAL ASSETS | | <u>147,305</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 | | 31,772 | 36,672 |
| Total equity | | <u>43,076</u> | <u>47,976</u> |
| LIABILITIES | | | |
| Non-current liabilities | | | |
| Lease liabilities | | 6,271 | 6,152 |
| Employees' end of service benefits | | 252 | 251 |
| | | <u>6,523</u> | <u>6,403</u> |
| Current liabilities | | | |
| 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> |
| Total liabilities | | <u>104,229</u> | <u>118,528</u> |
| TOTAL EQUITY AND LIABILITIES | | <u>147,305</u> | <u>166,504</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]

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AL MAHA PETROLEUM PRODUCTS MARKETING CO SAOG

Interim condensed statement of changes in equity

For the three months period ended 31 March 2024

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

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> | |
| | | 2024 | 2023 |
| | | RO'000 | RO'000 |
| Notes | | (Unaudited) | <i>(Unaudited)</i> |
| OPERATING ACTIVITIES | | | |
| | Profit before tax | 1,541 | 1,812 |
| Adjustments for: | | | |
| | 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 |
| | Cashflows from operations before working capital changes | 2,952 | 3,181 |
| | Inventories | (610) | 36 |
| | Trade and other receivables | (2,972) | 2,782 |
| | Trade and other payables | (919) | (3,363) |
| | Cashflows from operations after working capital changes | (1,549) | 2,636 |
| | Employees end of service benefits paid | (16) | - |
| | Net cash flows (used in) / from operating activities | (1,565) | 2,636 |
| INVESTING ACTIVITIES | | | |
| | Purchases of property, plant and equipment | (1,007) | (1,413) |
| | Short term deposit | (2,000) | - |
| | Finance income received | 306 | 336 |
| | Net cash flows used in investing activities | (2,701) | (1,077) |
| FINANCING ACTIVITIES | | | |
| | 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) |
| | Net cash flows (used in) / from financing activities | (20,778) | 19,353 |
| | Net (decrease) / increase in cash and cash equivalents | (25,044) | 20,912 |
| | Cash and cash equivalents at 1 January | 42,389 | 35,241 |
| | Cash and cash equivalents at 31 March | 17,345 | 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 |
| | 121,069 | 120,871 |

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> |
| Types of sales | | |
| Retail | 88,416 | 84,672 |
| Commercial | 19,082 | 20,670 |
| Others | 13,571 | 15,529 |
| | 121,069 | 120,871 |
| Geographical market | | |
| Domestic market | 121,069 | 120,871 |
| Timing of revenue recognition | | |
| Goods transferred at a point in time | 121,069 | 120,871 |

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 |
| | 5,987 | 5,905 |

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 |
| | 588 | 561 |

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

| | 31 March | <i>31 December</i> |
|---|---------------------|---------------------|
| | 2024 | <i>2023</i> |
| | RO'000 | <i>RO'000</i> |
| | (Unaudited) | <i>(Audited)</i> |
| 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:

| | 31 March | <i>31 December</i> |
|------------------------------|--------------------|--------------------|
| | 2024 | <i>2023</i> |
| | RO'000 | <i>RO'000</i> |
| | (Unaudited) | <i>(Audited)</i> |
| 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

| | 31 March | <i>31 December</i> |
|--|----------------------|----------------------|
| | 2024 | <i>2023</i> |
| | RO'000 | <i>RO'000</i> |
| | (Unaudited) | <i>(Audited)</i> |
| 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:

| | 31 March | <i>31 December</i> |
|------------------------------|--------------------|--------------------|
| | 2024 | <i>2023</i> |
| | RO'000 | <i>RO'000</i> |
| | (Unaudited) | <i>(Audited)</i> |
| 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

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

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:

| | 31 March 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 31 March /31 December | <u>9,676</u> | <u>9,676</u> |

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

| | 31 March 2024 RO'000 (Unaudited) | 31 December 2023 RO'000 (Audited) |
|-------------------------|---|--|
| 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> |
| | <u>48,273</u> | <u>49,192</u> |

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> |
|---------|------------|----------|

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> |
| Statement of comprehensive income | | |
| 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

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.