

Directors’ Report

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the interim unaudited Financial Statements for the six-month period ended 30 June 2025.

Financial Performance Highlights (RO'000)

	Jan-Jun 2025	Jan- Jun 2024	Increase/Decrease	Change
	(RO '000)	(RO'000)	RO’000	%
Sales	242,368	248,596	(6,228)	(3%)
Other Income	3,308	3,356	(48)	(1%)
Total Income	245,676	251,952	(6,276)	(2%)
Less: Cost of Sales & Operating Expenses	242,313	248,862	(6,549)	(3%)
Net profit after tax	3,363	3,090	273	9%

Earnings per share (RO)	0.049	0.045	0.004	9%
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- The Company recorded **revenues** of RO 242.4 million for the first half of 2025, reflecting a 3% decline compared to the same period in 2024. This was primarily attributable to a 1% decrease in sales volumes, impacted by reduced demand from a key customer.
- **Other income** remained stable compared to the same period in 2024, recording only a slight decline of 1%, indicating relative stability in this revenue stream.
- **Cost of sales and operating expenses** decreased by 3%, demonstrating effective cost management and operational efficiency.
- **Net profit** increased by 9% to RO 3.4 million, compared to RO 3.1 million in the same period last year. This improvement was mainly driven by higher gross profit margins in the commercial segment, supported by increased sales.

These results reflect the Company’s stable financial performance during the period, despite operational challenges in certain segments, reinforcing confidence in its ability to maintain profitability and deliver sustainable value to shareholders.

Business Segment Performance:

The Company's business segments recorded varied performance during the first half of 2025, reflecting differing market conditions and external influences across segments. The Retail Segment maintained its position as the primary revenue source, driven by growth in most fuel stations, despite a relative decline in certain border stations. Meanwhile, the Commercial Segment achieved solid growth, benefiting from increased demand in the Oil, Energy, and Construction sectors, supported by the Company's operational flexibility and proactive customer engagement.

The Lubricants Segment continued its positive performance, driven by improved profit margins and an expanding customer base, particularly in the commercial and government sectors. Likewise, the Non-Fuel Revenue Segment made tangible progress on commercial and community-based projects, underscoring the effectiveness of the Company's diversification strategy and its commitment to creating sustainable shareholder value.

In contrast, the Aviation Segment experienced a decline in performance due to reduced demand. The Company is actively reviewing its marketing strategies in this crucial segment to enhance flexibility, adapt effectively to market changes, and restore growth.

Quality, Health, Safety and Environment (QHSE)

The Company continued to implement its approved programs in the areas of Quality, Health, Safety, and Environment (QHSE), while maintaining a firm commitment to applying the principles of sustainable development across its operational activities and daily practices. During the first half of 2025, scheduled site inspections were carried out at stations and operational facilities, alongside internal audits to assess the efficiency and effectiveness of safety systems in place.

Specialized training programs were also conducted, targeting operational and technical staff, with a focus on practical skills and proper responses during emergencies. In parallel, environmentally friendly practices were promoted across daily operations. These efforts reflect the Company's ongoing commitment to achieving the highest standards of occupational safety and ensuring a secure working environment that supports business sustainability and safeguards people and assets.

Corporate Social Responsibility

The Company maintained its strong commitment to corporate social responsibility, focusing on education, health, the environment, and community development, fully aligned with its strategy to advance social sustainability. During the first half of 2025, it continued to implement several targeted initiatives, including direct support for charitable institutions and non-profit organizations actively engaged in community service. These efforts helped address critical needs across various segments of society, underscoring the Company's dedication to its social role and enhancing its positive lasting impact on the communities in which it operates, reinforcing its values of partnership and alignment with national development priorities.

Future Outlook

Recent economic and fiscal indicators reflect a tangible improvement in Oman's macroeconomic environment, particularly following Moody's upgrade of the Sultanate's credit rating to *Investment Grade* ("Baa3") with a stable outlook. The upgrade was driven by the country's strong financial position, declining public debt levels, and enhanced financial management efficiency.

This positive momentum enhances the attractiveness of the business environment and provides the Company with a solid foundation for expanding its operations, especially in sectors linked to urban growth, infrastructure development, energy, and logistics.

The Company expects these developments to stimulate demand for its services and products across multiple sectors, strengthening its ability to achieve sustainable growth and reinforce its competitive position in the market, particularly amid ongoing momentum in non-oil economic activities and growth in the gross domestic product (GDP), creating a favorable environment for expansion and increased market share.

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.

I am also pleased to extend my sincere appreciation to the regulatory authorities, our partners, and the Company’s employees for their continuous support and valuable contributions, which form a fundamental pillar in advancing the Company’s journey toward achieving its future aspirations.

Dr. Saif Salim Saif Al-Harthi

Chairman

27 July 2025