

1. General

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

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

2. Material accounting policies**(a) Statement of compliance**

The unaudited interim condensed financial statements for the three months period ended 31 March 2026 of the Company are prepared in accordance with International Accounting Standards (IAS) 34, 'Interim Financial Reporting'.

(b) Basis of preparation

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

The functional currency of the Company is the Rial Omani (﷮). 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 2025. In addition, results for the period ended 31 March 2026 are not necessarily indicative of the results that may be expected for the financial year 2026.

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

(c) New and amended standards and interpretation to IFRS

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2025, except for the adoption of new standards effective as of 1 January 2026. The Company has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Annual Improvements to IFRS Accounting Standards – Volume 11

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

Presentation and disclosure in financial statements – Amendments to IFRS 18

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.

2. Material accounting policies (continued)

(d) Critical judgments and key sources of estimation uncertainty

The preparation of the condensed interim financial statements requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended 31 December 2025.

(e) Financial risk management

The financial risk management objectives and policies applied during the period are consistent with those disclosed in the annual financial statements of the Company for the year ended 31 December 2025.

3. Revenue

	31 March 2026	31 March 2025
	<u>₹</u> ('000)	<u>₹</u> ('000)
Revenue from sale of goods	90,894	87,768
Revenue from contract with customers	32,181	30,763
	<u>123,075</u>	<u>118,531</u>
Types of sales		
Retail	90,894	87,768
Commercial	24,356	18,847
Others	7,825	11,916
	<u>123,075</u>	<u>118,531</u>
Geographical market		
Domestic market	<u>123,075</u>	<u>118,531</u>
Timing of revenue recognition		
Goods transferred at a point in time	<u>123,075</u>	<u>118,531</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 administrative expenses

	31 March 2026	31 March 2025
	<u>₹</u> ('000)	<u>₹</u> ('000)
Employee benefit expenses	1,744	1,713
Operating expenses	2,942	2,817
Administration and general expenses	85	265
Depreciation and amortisation	1,086	1,140
	<u>5,857</u>	<u>5,935</u>

6. Finance cost

	31 March 2026 ﷲ ('000)	31 March 2025 ﷲ ('000)
Interest on bank borrowings	507	428
Interest on lease liabilities	106	108
	613	536

7. Property, plant and equipment

During the Three months ended 31 March 2026, the Company acquired assets with a cost of (31 March 2026 - ﷲ'000 959) (31 March 2025: ﷲ'000 1,000).

8. Inventories

	31 March 2026 ﷲ ('000)	31 December 2025 ﷲ ('000)
Petroleum products	5,168	3,734
General stores and consumables	925	640
Fuel cards	125	125
	6,218	4,499
Less: provision for slow and non-moving inventories	(270)	(270)
	5,948	4,229

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

	31 March 2026 ﷲ ('000)	31 December 2025 ﷲ ('000)
At 1 January	270	262
Charge for the period / year	-	8
At 31 March /31 December	270	270

9. Bank and cash balance

	31 March 2026 ﷲ ('000)	31 December 2025 ﷲ ('000)
Cash at bank	14,873	12,034
Less: allowance for expected credit loss	-	(23)
	14,873	12,011
Cash in hand	50	48
	14,923	12,059

9. Bank and cash balance (continued)

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

	31 March 2026 <u>₪</u> ('000)	31 December 2025 <u>₪</u> ('000)
At 1 January	23	23
Charge for the period / year	<u>(23)</u>	<u>-</u>
At 31 March /31 December	<u>-</u>	<u>23</u>

10. Trade and other receivables

	31 March 2026 <u>₪</u> ('000)	31 December 2025 <u>₪</u> ('000)
Trade receivables	98,543	96,330
Less: allowance for expected credit losses	<u>(7,705)</u>	<u>(7,997)</u>
	90,838	88,333
Prepayments (note a)	1,602	751
Staff receivables	161	170
Accrued income	389	196
Other receivables	<u>2,374</u>	<u>1,980</u>
	<u>95,364</u>	<u>91,430</u>

a) Trade receivables are non-interest bearing, unsecured and are generally on terms up to 90-180 days (2025 – 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:

	31 March 2026 <u>₪</u> ('000)	31 December 2025 <u>₪</u> ('000)
At 1 January	7,997	7,090
Charge / (Reversal) for the period / year	<u>(292)</u>	<u>-</u>
At 31 March /31 December	<u>7,705</u>	<u>7,090</u>

11. Share capital

The authorized share capital of the Company consists of 85 million shares (2025 – 85 million shares) of ₪ 0.100 each (2025 – ₪ 0.100 each). The issued and paid-up share capital of the Company consists of 69 million shares (2025 – 69 million shares) of ₪ 0.100 each (2025 – 0.100 each).

12. Trade and other payables

	31 March 2026 ﷼ ('000)	31 December 2025 ﷼ ('000)
Trade payables	44,959	45,302
Accrued expenses	4,968	5,356
Advance from customers	677	955
Contract liabilities	1,444	1,444
Other Payables	2,978	3,145
	<u>55,026</u>	<u>56,202</u>

13. Interest bearing loans and borrowings

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

14. Segmental information

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

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

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

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

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

15. Related party transactions

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

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

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

	31 March 2026 ﷼ ('000)	31 March 2025 ﷼ ('000)
Transactions with other entities related to Associates:		
Revenue	8	-
Transactions with Directors:		
Directors' remuneration and sitting fees	23	20
	<u>31</u>	<u>20</u>

16. Income tax

	31 March 2026 ﷌ ('000)	31 March 2025 ﷌ ('000)
Statement of comprehensive income		
Current period	390	154
Deferred tax	-	-
	390	154

The Company is subject to income tax at 15% (2025 – 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 ﷌ 22 thousand due to disallowance of directors' remuneration for the year 2018 amounting to ﷌ 148 thousand based on internal guidelines of the Tax Authority. The Company has not accepted this disallowance on the basis that the director's remuneration paid for the year 2018 is in accordance with article 101 of Legislations Regulating the Joint Stock Companies listed in Muscat Stock Exchange. Based on the clarification received from the Financial Services Authority in this regard, the Company has filed an objection with the Tax Authority for the disallowance of directors' remuneration and the demand for additional tax charge as referred above.

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

17. Commitments and contingencies

a) At 31 March 2026, the Company had capital commitments amounting to ﷌ 6,321 ('000) (31 Dec 2025: ﷌ 4,331 ('000)).

b) Other contingencies:

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 ﷌ 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.

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

18. Climate related risks

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

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