

SHELL OMAN MARKETING

COMPANY SAOG



DIRECTORS’ REPORT FOR THE PERIOD ENDED 30th June 2025

In its meeting held on 29th July 2025, the Board of Directors approved the Company's unaudited financial results for the period ended 30th June 2025.

SUMMARY FINANCIALS

In OMR'000	Quarter			6 Months		
	Q2/25	Q2/24	%	2025	2024	%
Revenue	121,190	121,013	0%	238,231	242,636	(2%)
Gross profit	9,260	8,108	14 %	17,719	16,552	7 %
Add: Other income	1,164	1,112	5%	2,221	2,202	1%
Less: Selling, distribution and administrative expenses	(7,575)	(7,654)	(1%)	(15,134)	(15,360)	(1%)
Less: Financing and taxation	(1,024)	(834)	23%	(1,926)	(1,835)	5%
Profit and comprehensive income	1,825	732	149 %	2,880	1,559	85 %

- Six Months Revenue was OMR 238.231 million, 2% lower than the same period last year reflecting lower volumes in the period.
- Six Months Gross Profit was OMR 17.719 million, which is 7% higher than the previous year due to structured efficiency initiatives.
- Six months Selling and Administrative expenses were 1% lower than the same period last year reflecting ongoing improved operational efficiency.
- Six Months Profit and Comprehensive Income was OMR 2.880 million 85% higher than the same period in 2024 due to higher gross margins as well as efficiency programmes.

BUSINESS PERFORMANCE

Mobility Business experienced a promising uptake in the second quarter of 2025 despite the challenging market landscape. The business continued to see healthy growth trends in both Shell V-Power as well as Diesel with customized offerings around fleet solutions. Notably, our retail footprint expanded with the addition of a brand-new retail

site i.e., the Musrooq service station, bringing Shell Oman to a total network of 214 fuel service stations across the Sultanate. The company also added one new car care center at the Shell Airport service station, bringing our total to 33 car care centers across Oman.

Shell Oman introduced a brand-new fuel – Shell FuelSave 91 for the first time in the country. This specially formulated fuel is designed to last up to 15 kilometers on a full tank of fuel, giving our customers superior & enhanced fuel efficiency at no additional cost. The launch was supported by targeted campaigns for the National Subsidy System (NSS) segment.

As a result, this segment experienced healthy growth this quarter, indicating a growing belief in Shell's FuelSave 91 fuel offering and Shell Oman's services. The Shell GO+ loyalty program continued to emerge as a strategic growth lever, generating incremental revenue in the first half of the year. The program's partner ecosystem also expanded, introducing new partnerships with 10 active brands, with 5 additional partners set to join in Q3 further reinforcing its role as a powerful driver of customer value and brand engagement.

We continue to seek like-minded partnerships to grow customer value, and in this quarter, we were proud to add Taiba Pharmacy to our evolving list of partnerships in co-locating with Shell's service station operations.

The retail and convenience business continues to look ahead to focus on making a difference to our customers' life journeys whilst giving them the best in world-class fuels, lubricants and food, coffee & convenience offerings on the go.

Fleet Solutions Business continued its growth trajectory in Q2 2025 whilst winning market share and achieving an increase in volume performance compared to the same period last year. This growth was driven by a strategy focused on two main levers which are acquiring new customers and renegotiating existing contracts to enhance value and secure retention.

The business successfully expanded the customer base by targeting high-potential sectors and offering tailored mobility solutions that align with evolving fleet management needs. Simultaneously, proactive engagement with existing clients led to the renewal and optimization of several key contracts, ensuring continued loyalty and improved commercial terms.

This approach not only strengthened revenue streams but also reinforced Shell Oman's position as a trusted partner in the fleet mobility space. Looking ahead, the business will continue to focus on strategic customer acquisition, digital fleet management solutions, and value-added services to sustain momentum and drive long-term growth.

Integrated Lubricants Business During Q2 of 2025, the business sustained a strong performance locally and across export markets and lubricant business maintained its market leadership in the industry Growth was driven by higher upliftment from existing customers in Oman and Middle East markets, improved product mix and the addition of new accounts in the industrial sector. Competition has placed pressure on the lubricants B2B segment, which led to a volume churn. This was offset by signing with new

customers and improving the product mix and premium lubes sales.

Shell Oman Lubricants Blending Plant continued to deliver consistent performance. Operated with efficiency and secured supplies with high On Time in Full (OTIF). The introduction of new sustainable packaging formats for international customers has significantly strengthened the plant’s contribution to regional growth and improved supply flexibility, marking a clear evolution in its strategic role. Throughout all activities, health, safety and compliance standards were upheld without compromise. Internal and external audits were completed successfully, and no incidents or nonconformities were recorded, highlighting the team’s strong safety culture and operational discipline.

Customer Operations continued to evolve with improved responsiveness to service requests and continued enhancements to digital platforms. Cross functional collaboration contributed to smoother issue resolution and a more seamless customer experience across critical touchpoints. Customer feedback remained positive, pointing to better accessibility, faster transaction times, and enhanced digital functionality. Regular performance monitoring enabled data driven improvements, ensuring service delivery evolved in step with customer expectations and business priorities.

Aviation Business in Q2, successfully expanded its market share and was awarded the tender to supply jet fuel for Oman Air at both Muscat and Salalah International Airports. With this contract, Shell Oman will supply 50% of Oman Air’s fuel uplift at Muscat International Airport and 100% at Salalah International Airport. The business continued to focus on efficiency and operational excellence while ensuring safe and reliable service to our customers. These efforts resulted in strengthened financial and HSSE performance, as well as high operational excellence records, as reflected in audit results. Locally, the team collaborated with other Shell Aviation Operating Units (OUs) globally to secure global contracts with airlines visiting Oman.

Commercial Fuels Business in Q2 signed an agreement with a new Small Medium Enterprise (SME) bulk fuel reseller to serve and expand in the local market. This involved training and developing the reseller's skills to international standards. Additionally, the business signed a new bulk fuel supply agreement with the government for six years. We continued to retain our current portfolio while expanding our market footprint while ensuring safe and reliable service to our customers

Marine Business in Q2, signed a Voyage Charter contract with a local SME. This strategic transition from our previous international partnership reflects our commitment to empowering local enterprises with the same efficiency and reach of our marine operations. Additionally, the business secured a significant two-year contract to supply marine fuels to a major government entity. This achievement not only reinforces our growing operational capabilities but also solidifies Shell Oman as a trusted and dependable partner in the marine sector.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE)

The company concluded the second quarter with excellent Health, Safety, Security, and Environment (HSSE) performance, achieving zero Significant Incidents and Fatalities (SIF) and zero leaks, reaffirming our commitment to prioritizing people’s safety.

Emergency preparedness was strengthened through the successful execution of joint marine spill response and rescue drill at Port Sultan Qaboos (PSQ). Critical fire safety

improvements were delivered through the complete upgrade and validation of fire alarm systems at Shell Oman’s facility and Raysut terminals. Comprehensive traffic and security risk assessments were finalized across all mobility sites, further enhancing mitigation planning. In parallel, environmental and food safety audits confirmed full regulatory compliance, while targeted HSSE initiatives launched across three operational regions contributed to stronger site safety culture and workforce engagement.

Continuous improvement was further supported by the closure of remedial actions through updated Standard Operating Procedures and frontline training. On the sustainability front, a cross-functional Carbon Roadmap Workshop advanced alignment on the company’s decarbonization strategy. Employee engagement remained strong, evidenced by broad participation in Safety Day 2025 activities in the month of June 2025.

Contractor safety continued to be a strategic priority in the second quarter, particularly in the context of executing high-risk activities and critical maintenance operations. The organization implemented several initiatives aimed at strengthening contractor safety governance and mitigating operational risks. These included: contractor safety forum, Go & Engage site visits, formal performance reviews, learnings from incidents session, and the recognition program to reinforce accountability and promote safe behaviors.

During Q2 the company demonstrated a strong commitment to managing fatigue and road transport risks through targeted awareness campaigns, enhanced driver engagement, and robust assurance measures. Leveraging advanced monitoring technologies, these efforts effectively mitigated exposure and reinforced safe driving behaviors.

Furthermore, as part of its commitment to the culture of Care, the organization has carried on a focused and strategic plan to enhance worker welfare culture among its contractors.

This included delivering multiple training and knowledge sharing sessions, as well as collaborating with contractors to conduct site visits for better visibility over the implementation of the Worker Welfare and Building Responsibly Principles.

The company has also invested in a digital grievance and feedback platform to facilitate feedback sharing by the contractor staff and easier tracking and action planning at the management’s end.

STRATEGY & ENERGY TRANSITION

As part of our energy transition initiatives Shell Oman has announced partnering with Porsche Centre Oman to enhance the EV infrastructure across the country with a focus on expanding high-performance charging networks on Shell forecourts, supporting EV users and contributing to the country's long-term sustainability goals. This partnership reinforces the company’s dedication to providing a reliable EV charging infrastructure in Oman. The company continues to strengthen its internal capabilities and resources in building low-carbon solutions and development of energy transition roadmap.

Furthermore, as continuation of the collaboration among Strategy, Internal Audit, and other classes of business a dedicated Governance and Risk Day was recently conducted, offering an engaging platform to gain deeper insights into risk, governance, and control principles. The event played a key role in raising awareness, fostering a stronger culture of accountability, and reinforcing the importance of risk management across all levels of the organization. In Addition, risk management reporting was enhanced through digitalization that improved data analysis, decision making and ensured efficiency.

CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, Shell Oman continued to build on its strategic corporate social responsibility themes which are Environment, Health, and Community Skills & Enterprise Development. This is done through the delivery of its planned initiatives as well as regularly addressing requests from local entities and charitable organizations across the different governorates and regions within the Sultanate.

The company proactively collaborated with important stakeholders and partners to deliver its social aspirations through different initiatives and programs including carrying on its long-term partnerships with the Youth Center and Outward Bound Oman. This was aimed at providing training and upskilling opportunities for the youth in different fields, especially those related to sustainability.

In addition, as part of its community outreach efforts and its commitment to share awareness on safety with the wider community, representatives from different teams organized basic safety training in dealing with fire accidents and using fire extinguishers at Al Wafa Rehabilitation Center in Al Amerat.

We, in Shell Oman Marketing Company would like to reaffirm our commitment as part of this nation to stand shoulder to shoulder with our partners and stakeholders in the Sultanate and work to power its progress together in line with Shell’s Powering progress Strategy and Oman Vision 2040. We will continue to serve Oman and its people under the leadership of His Majesty Sultan Haitham Bin Tarik and to support his vision for the Sultanate.

Ali Al Janabi

Chairman, Shell Oman Marketing Company SAOG

Muscat, July 29, 2025