

SHELL OMAN MARKETING

COMPANY SAOG



DIRECTORS’ REPORT FOR THE PERIOD ENDED 30th September 2025

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

SUMMARY FINANCIALS

In OMR'000	Quarter			9 Months		
	Q3/25	Q3/24	%	2025	2024	%
Revenue	129,472	130,515	(1%)	367,703	373,151	(1%)
Gross profit	9,220	9,265	(0%)	26,939	25,817	4 %
Add: Other income	1,107	1,119	(1%)	3,328	3,321	0%
Less: Selling, distribution and administrative expenses	(7,658)	(7,910)	(3%)	(22,792)	(23,270)	(2%)
Less: Financing and taxation	(960)	(1,063)	(10%)	(2,886)	(2,898)	(0%)
Profit and comprehensive income	1,709	1,411	21 %	4,589	2,970	55 %

- Nine-month revenue was OMR 367.703 million, 1% lower than the same period last year, reflecting lower volumes in the period.
- Nine-month gross profit rose 4% to OMR 26.939 million, driven by disciplined execution of our profitability-focused business strategy. Nine months Selling and Administrative expenses were 2% lower than the same period last year, reflecting ongoing cost efficiency improvements
- Nine Months Profit and Comprehensive Income was OMR 4.589 million, 55% higher than the same period in 2024 due to higher gross margins as well as efficiency programmes.

BUSINESS PERFORMANCE

Mobility Business and Convenience retail business continued to deliver on its commitment towards Health, Safety, Security and Environment (HSSE) by maintaining the Goal Zero record. Despite the challenging market environment, and for the second consecutive year, the business experienced record-level growth in our differentiated offers,

including Shell V-Power, our convenience retail store ‘Shell Select’ and Shell Cafe segments. The strong performance was fueled by a series of well-executed marketing campaigns, including seasonal activations such as the Khareef initiative. We also focused on enhancing brand visibility for Shell Select and Shell Café, while expanding our customer loyalty base through the Shell Go+ program, which continues to reward customers at every touchpoint and deepen engagement across our network. Loyalty customers now have a wider range of redemption options with our growing partnerships within the platform, including but not limited to KALYAN Jewellers, Precision Tune Auto Care, 3rd Street Donuts, Aqua Shine AUTO WASH, ProTech and many other partners.

The Company has grown its service stations network by commissioning two brand new sites; one in Saham serving the Strategic Batina Expressway and another in Wilayat Ibri.

The high grading and expansion of convenience retailing, Shell Cafe, Shell Car Wash and Shell Helix Oil Change centres in the third quarter of 2025 continued to solidify the Company’s customer value proposition. For the first time, the business has launched a stand-alone Shell Cafe outside our conventional service stations to further improve brand awareness in the community. Shell Select continues to offer healthy snacks and fresh food alternatives coupled with seating options in selected stores for customers who need to recharge from road travel.

Fleet Solutions Business maintained stable performance compared to the same period last year in Q3 2025, continuing to grow its customer base and optimise its existing portfolio. This steady trajectory reflects our focus on tailored mobility solutions and proactive client engagement. While market-wide cash flow constraints remain a challenge, we are actively working to strengthen our financial resilience by developing improved customer value propositions, including Vehicle Recognition System (VRS). Our priorities moving forward include strategic customer acquisitions, enhanced digital fleet management, and value-added services to reinforce Shell Oman’s position in the fleet mobility space.

Integrated Lubricants Business delivered a strong performance during the third quarter of 2025 across local and export markets. This was supported by an evident demand from existing customers, increased activity in the Middle East markets and the addition of new accounts within the industrial sector. During the quarter, the business achieved several contract renewals and gained new opportunities across different sectors. Progress was made in Original Equipment Manufacturer (OEM) partnerships, new product introductions and industrial applications, further reinforcing Shell Oman’s position in the lubricants market. Shell Oman Lubricants Blending Plant maintained consistent operational performance. The team also continued efforts to support market expansion, focusing on operational readiness and flexibility to meet regional demand.

Customer Operations sustained momentum in improving operational agility and engagements. The focus remained on platform stability and refinement of key performance indicators, resulting in an improvement in customer satisfaction compared to the previous year. Adoption of the Fleet Payment Gateway continued to grow, reflecting steady trust in our digital platforms. Looking ahead, customer operations will continue to prioritise operational reliability and further enhancements to customer-facing systems and processes.

Aviation Business successfully expanded its business in both Muscat and Salalah international airports by serving new airlines which started uplifting from Oman during Q3 2025. Furthermore, the business witnessed an overall volume increase from Oman Air due to the new mutually negotiated rates and additional destinations by Oman Air. The business continued to focus on efficiency and operational excellence while ensuring safe and reliable services for its customers. These efforts resulted in strengthened financial and Health, Safety Security, and Environment (HSSE) performance, as well as high operational excellence records, as reflected in audit results. The business, in collaboration with Shell Global Aviation Operating Units (OUs), secured global contracts with airlines visiting Oman Airports.



Commercial Fuels Business maintained strong operational performance during the third quarter of the year and continued the growth momentum from the previous quarter. Following the successful signing of the new bulk fuel reseller agreement, focus during the quarter shifted towards strengthening execution and developing the reseller’s operational capabilities to meet Shell’s HSSE and service standards.

Additionally, in reference to the six-year government bulk fuel supply agreement secured earlier this year, the agreement has now transitioned into its implementation phase, with delivery processes and customer service mechanisms firmly established.

The business continued to maintain its existing customer portfolio while enhancing reliability, safety performance, and service quality across operations. Efforts were also directed towards reinforcing relationships with key stakeholders and identifying further opportunities to expand the Company’s presence within the local market in a sustainable and value-driven manner.

Marine Business achieved a key milestone during the third quarter of the year by signing a Marine Reseller Agreement with a local Small-Medium Enterprise (SME), marking a strategic step toward expanding Shell Oman’s footprint within the coastal and port fuel markets. Fuel supply operations commenced at the beginning of the quarter, ensuring a seamless start-up phase and uninterrupted service to marine customers.

The focus throughout the quarter remained on strengthening the reseller’s operational capabilities through continuous engagements, training, and adherence to Shell’s HSSE and quality standards. This partnership supports the national objective of empowering local SMEs while enhancing market accessibility and service efficiency in the marine fuel sector.

In parallel, the business continued to explore further opportunities for portfolio growth and optimisation of supply chain efficiency to ensure competitive delivery and sustained value creation for customers operating across Oman’s key ports.

HEALTH, SAFETY, SECURITY AND ENVIRONMENT (HSSE)

During the third quarter, the organisation reaffirmed its strong commitment to Zero Harm and Zero Leaks, with people’s safety remaining the top priority. Through targeted initiatives and robust assurance programs, the Company continued to strengthen its Culture of Care, ensuring all personnel are empowered and equipped to manage operational risks effectively and sustainably.

HSSE performance remained strong throughout the third quarter, with zero serious incidents and no environmental impact reported. This reflects the effectiveness of our proactive risk management strategies and the collective commitment of employees and contractors to uphold the highest safety standards.

A series of initiatives were implemented to strengthen our Culture of Care, including:

- Worker Welfare Awareness.
- Leadership visibility through regular frontline engagements.
- Mandatory safety training to equip staff for daily operational risks.
- Security awareness to enhance emergency preparedness.
- Health campaigns in collaboration with medical centres, offering full check-ups for staff and their family members.
- Effective Learning from incident sessions with frontline staff, contractors and partners.

Furthermore, several assurance activities were completed as part of Assurance and Risk Management, including a robust line assurance audit program, risk assessment reviews, contractor safety forums, joint emergency drills with partners and local authorities and implementation of a comprehensive Asset Integrity Management Program.

In road transport, the organisation maintained the highest safety standards through enhanced risk management measures during the summer and Khareef seasons, leveraging advanced technologies to mitigate fatigue and ensure safe fuel deliveries across the network.

STRATEGY & ENERGY TRANSITION

As part of Shell Oman's commitment to raising awareness on decarbonization, Shell Oman conducted multiple workshops to continue reviewing greenhouse gas (GHG) emissions and develop its long-term decarbonization plans. These engagements provided a platform to analyse and identify practical opportunities that can be deployed to reduce GHG emissions across our operations. In addition, energy efficiency and sustainability initiatives were discussed, including the deployment of advanced digital solutions and optimised distribution plans. These measures have significantly reduced the distance travelled by our fleets, contributing to lower emissions while minimising potential operational disruptions.

Moreover, Shell Oman is building on its Electric Vehicles (EV) charging points through the deployment of the co-branded EV chargers agreed with Porsche, across service stations and destinations. The Company is also exploring opportunities in other cleaner fuel solutions and products, including biodiesel, Sustainable Aviation Fuel (SAF), high-performance lubricants and carbon-neutral solutions, as well as collaborating with stakeholders in public and private sectors as strategic decarbonization partnerships. When it comes to Enterprise Risk Management, the organisation has made notable progress in strengthening its risk culture, which in turn promotes accountability, informed decision-making, and strategic resilience across all functions.

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 organisations across the different governorates and regions within the Sultanate.

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

In the last stages of the EV-Pro program in its second edition this year, a number of interactive and hands-on workshops were conducted with our partners, including the Authority for Public Services Regulation and Porsche Centre in Oman. The students also joined site visits led by the Shell Oman team to Shell's first Hydrogen Station in Oman, which helped give them a clear perspective on the operations and back-end systems on-site.

In addition, as part of its community outreach efforts and its commitment to give back to society, representatives from Shell Oman visited the children of the Dar Al Hanan facility under the umbrella of Oman Cancer Association with joyful presents and in proactive efforts seeking further areas of collaboration with the association.

On the environmental end, Shell Oman is proud to have been recognised through the Shabiba Social Impact Awards "Bassma" for its pioneering efforts in protecting the environment and adopting eco-friendly practices within its operations.

We will continue playing our role and contributing to Powering Lives, in line with Oman Vision 2040, Shell's purpose and strategy, and the United Nations Sustainable Development Goals.

We, at Shell Oman, 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, 29 October 2025