

## Dear Shareholders,

On behalf of your Board of Directors, it gives me great pleasure to present the Annual Report of Oman Oil Marketing Company SAOG (“OOMCO/Group”) for the year ended 31<sup>st</sup> of December 2024.

### Health, Safety, Environment, Quality, Technical and Sustainable Development

At OOMCO, our employees, customers, and the communities we serve are our most valued assets. We remain committed to ensuring a safe and secure environment for both employees and customers while safeguarding the public, company assets, and infrastructure.

In 2024, OOMCO achieved a major safety milestone, recording zero Lost Time Injuries (LTI) over 6 million working hours. Additionally, OOMCO successfully completed 21 million kilometers of fuel transportation across Oman without a major road traffic accident. No OOMCO facility experienced fire incidents or environmental hazards, reflecting the company’s strong commitment to safety and risk mitigation.

To ensure a safe workplace, fueling stations, and shopping environment, OOMCO introduced several innovative safety initiatives as part of its Road Safety Campaign, HSEQ Week, and heat stress awareness programs for service stations. These initiatives engaged employees, contractors, and stakeholders in active participation, reinforcing a culture of safety and responsibility.

Emergency preparedness remained a top priority in 2024, with multiple drills conducted to enhance response capabilities. These included road traffic accident simulations, aviation fire incident drills, fuel spill response exercises at Duqm Terminal, and warehouse evacuations. Additionally, OOMCO collaborated with civil defense and OPAL to conduct large-scale crisis management and emergency response training, ensuring effective disaster readiness and operational resilience.

OOMCO’s HSEQ culture is deeply embedded across all operations, integrating policies, best practices, and continuous monitoring. The company strategically implements policies, conducts audits, and develops performance reviews to drive ongoing improvement. In 2024, OOMCO

successfully completed its external surveillance audit conducted by SGS, maintaining compliance with six internationally recognized management system standards:

- ISO 9001:2015 – Quality Management System
- ISO 14001:2015 – Environmental Management System
- ISO 45001:2018 – Occupational Health & Safety Management System
- ISO 27001:2013 – Information Security Management System
- ISO 22301:2019 – Business Continuity Management System
- ISO 22000:2018 – Food Safety Management System

In addition, OOMCO expanded its certified management systems to include fuel bunkering operations in Duqm, ensuring that customers receive services under a qualified and standardized system.

To maintain product quality for both local and export markets, OOMCO's technical team conducted regular audits and site visits to production plants, ensuring all exported products met high-quality standards. The team successfully developed new lubricant formulations based on market demand and registered multiple products with international organizations such as API, facilitating their entry into global markets. Additionally, OOMCO launched a competitive and alternative product portfolio, ensuring a strong market position and sustained industry leadership. To uphold high-quality standards, OOMCO implemented a comprehensive quality monitoring plan for both fuel and lubricant products, ensuring they consistently meet industry specifications and customer expectations. As a customer-centric company, OOMCO also prioritizes efficient complaint resolution, achieving high levels of customer satisfaction.

OOMCO remains committed to Oman's Net Zero Vision 2050, actively supporting national efforts to reduce carbon emissions through sustainable energy solutions. In 2024, OOMCO:

- Powered 12 service stations with solar energy systems, generating 1.9 GWh of clean energy and reducing 1,352 tons of CO<sub>2</sub> emissions.
- Installed 23 Vapor Recovery Units (VRUs) at service stations, capturing fuel vapors during loading and unloading processes, leading to an additional 1,242-ton reduction in CO<sub>2</sub> emissions.
- Published its first Environmental, Social, and Governance (ESG) report (2023), reinforcing its dedication to sustainability and transparency.

In 2024, OOMCO successfully sold over 2 million liters of Biodiesel (B5 & B20) to meet growing customer demand for alternative fuel solutions.

OOMCO's joint venture, EVO, expanded electric vehicle (EV) charging solutions, establishing 133 charging points across 66 locations in Oman, including major highways. Further reinforcing its role in green hydrogen development, OOMCO was awarded a strategic position as a hydrogen producer, in collaboration with the Ministry of Transport, Communications, and Information Technology.

In green mobility, the company launched two key initiatives, partnership with Talabat for e-bike last-mile delivery solutions, and the Hydrogen-based transportation projects supporting Oman's National Green Corridor initiative.

With a strong commitment to safety, quality, sustainability, and technological innovation, OOMCO continues to drive transformation across the energy sector. Through clean energy initiatives, advanced safety protocols, and high-quality fuel and lubricant solutions, OOMCO remains dedicated to delivering excellence, reducing environmental impact, and shaping a sustainable future for Oman's fuel and mobility industries.

### Financial Performance

In 2024, the OOMCO Group achieved a 23% improvement in net profit, reporting a Profit After Tax of OMR 5.1 million. This growth was driven by strong performance in the Retail segment of the parent company, enhanced results across subsidiaries, and effective cash management strategies. The company's ability to deliver sustainable growth while creating long-term value for shareholders reflects management's disciplined approach and commitment to operational excellence. Through a combination of financial prudence and brand strength, OOMCO continues to reinforce its position as a leading player in the fuel marketing industry.

The Parent Company recorded a 2% decline in revenue compared to the previous year, largely due to a 19% contraction in the aviation segment and a 23% decline in the commercial segment, both impacted by intense market competition and price undercutting. Despite these challenges, OOMCO remains committed to upholding the highest safety standards and maintaining a

disciplined approach to contract selection, ensuring long-term profitability and avoiding unfavorable agreements. In contrast, the Retail segment—OOMCO's core business—achieved a 7% revenue increase year-over-year, reflecting the exceptional performance of its retail team, whose focus on customer engagement and service excellence continues to strengthen OOMCO's reputation in the market.

#### Subsidiary Performance

Ahlain International recorded a 110% increase in revenue, reaching OMR 9.2 million, driven by operational efficiencies and the reformatting of select Ahlain stores. Additionally, the expansion of Café Amazon, with two new outlets bringing the total to 14 locations, contributed to improved sales. While the entity remains loss-making, it significantly reduced its annual loss by OMR 766K, reporting a loss of OMR 600K for the year. The Ahlain team continues to execute a clear profitability strategy, aimed at driving sustainable growth and enhancing its contribution to the Group.

OOMCO Marine experienced an exceptional turnaround, reducing its net loss by OMR 1.49 million, closing the year with a minor loss of OMR 233K. This substantial improvement was a result of a strategic shift in operations and a key partnership with Trafigura Marine, which laid the foundation for a broader strategic alignment. The culmination of this collaboration was the formation of a joint venture company, a pivotal step toward positioning OOMCO Marine as a key contributor to the Group's profitability and long-term success. With renewed operational focus, OOMCO Marine is now well-positioned to drive future growth and enhance financial performance.

OOMCO Tanzania delivered a 32% year-over-year revenue growth, largely driven by diversification through B2B sales. However, currency fluctuations and market volatility posed challenges, leading to a reported loss of OMR 388K. These challenges were consistent with broader market trends affecting other industry players. The Tanzania management team is actively implementing mitigation strategies to address future currency risks and financial stability concerns.

#### **Strategic Expansion in Saudi Arabia (KSA)**

One of the key strategic focus areas for OOMCO Group remains its subsidiary operations in the Kingdom of Saudi Arabia (OOMCO KSA). In 2024, the Board conducted a strategic review of KSA operations to assess expansion opportunities and profitability enhancements.

## **Key Achievements in 2024**

- Network Expansion: OOMCO KSA opened its 37th service station, adding seven new stations, marking a 19% network growth compared to the previous year.
- Revenue Growth: Despite a modest increase in station count, KSA revenue surged by 55% year-over-year, driven by performance optimization at previously acquired stations.

## **Impact of IFRS 16 on Profitability**

The profitability of OOMCO KSA operations is influenced by IFRS 16, an accounting standard introduced in 2019 that changes how long-term leases are recorded.

- Accounting Effects: Under IFRS 16, long-term leases result in the upfront recognition of depreciation and interest expenses, similar to long-term loans that front-load interest costs. While this affects short-term profitability, it does not impact actual cash flow.
- Short-Term vs. Long-Term Impact: Although newly leased stations may initially appear loss-making, their actual cash-generating potential remains strong, and profitability is expected to strengthen over time.

To provide a more accurate view of financial performance, OOMCO assesses Adjusted EBIT, which excludes non-cash IFRS 16 impacts:

- 2024 Adjusted EBIT for KSA reached OMR 1.7 million, reflecting a strong improvement from OMR 700K in the prior year.
- Positive Growth Trend: This substantial increase highlights the success of OOMCO's expansion strategy and provides a clearer measure of operational performance, free from accounting distortions.

With a long-term strategic vision, the Board and management remain committed to strengthening and expanding OOMCO's presence in Saudi Arabia, aligning with the Group's growth ambitions and profitability targets.

## **Business Development**

Growth with excellence is our strategy when it comes to expanding our footprint locally and internationally. Locally, OOMCO maintained a total of 237 service stations by the end of September 2024, with no new service stations added in the third quarter. Internationally, OOMCO has 37 service stations across the Kingdom of Saudi Arabia. Additionally, OOMCO KSA officially received the Franchise Certificate on 6<sup>th</sup> November 2024. In Tanzania, the number of service

stations remains steady at 12, with no new additions in the fourth quarter. The one-stop-shop service stations cater to customers living in metropolitan areas, featuring an exciting range of on-the-go shopping, and food and beverage offerings. This aligns with our vision to further our expansion plans and to extend our international reach with best-in-class services for all.

With its forward-thinking strategy, OOMCO strives to transform the industry with the introduction of innovative products and services across all aspects of the business, both locally and internationally. Building a brand that extends beyond fuel, OOMCO is creating an unparalleled chain of service hubs that provide access to integrated offerings, including quality shopping, food products, and services.

### Human Resources

OOMCO brand image, reputation and success are built on a foundation of personal and professional integrity. OOMCO has also become an employer of choice, offering premium employment and career development opportunities to a wide cross section of people.

OOMCO achieved an Omanisation ratio of 91% by end of 2024. This is a significant achievement as the field requires staff with specific skills to serve a wide spectrum of customers across the retail network and overall company's operations. To continue raising our performance, we dedicate our efforts on developing the capacities of our human capital across our various businesses: we provide them with opportunities to enhance further their knowledge on specialized and specific competencies in addition to a wide range of applied, technical and creative skills.

As a young and energetic Omani organization that prides itself on being a pioneer in the Sultanate's energy sector and a valued partner in the development of its infrastructure, OOMCO continuously seeks to bolster its existing workforce. A key factor of its long-term corporate objectives, the Company recruits the right Omani talents on the right job at the right time to become the preferred employer of choice within the fuel marketing sector.

## Corporate Social Responsibility

Oman Oil Marketing Company (“OOMCO/Group”) spare no efforts to support the community through several Corporate Social Responsibility (CSR) initiatives every year. A dedicated budget endorsed annually by shareholders during the annual general meeting is then allocated for all CSR initiatives implemented during the coming year.

In 2024, OOMCO has contributed to many CSR initiatives that addressed different categories and sectors of the communities with an aim of long term benefits and wider span of beneficiaries.

OOMCO has supported the Ihsaan Association by providing fuel for their ambulances that transport elderly patients. The company has also provided fuel cards to Al Noor Association for the Blind to assist with their vehicles. During Ramadan, OOMCO funded the Omani Food Bank to provide Iftar meals for families in need. OOMCO has launched its annual At’a charity campaign. In its seventh year running, the campaign seeks to serve those in need with a range of different charitable and sustainable initiatives.

OOMCO welcomed the third group of its ‘Experience Hub’ program to gain hands-on work experience. Launched in 2022 in close cooperation with the Oman Ministry of Labour, OOMCO’s Experience Hub program enables young Omanis to develop transferable skills alongside the subject-specific knowledge they acquired during their undergraduate studies. In partnership with the Youth Center, OOMCO has signed a cooperation agreement for the second edition of the Tmakon program, which aims to empower young Omani youth to reach their full potential as freelancer. The company continues to support SMEs as it gave several of them the opportunity to showcase and commercialize their business within its premises during the Eid Al Adha period. In addition, OOMCO supports the Fifth Festival for People with Disabilities, under the supervision of the Ministry of Culture, Sports and Youth. Furthermore, 20% of OOMCO's CSR budget is allocated to the Oman Charitable Organization (OCO), supporting social programs like disaster relief, healthcare, and education, reaffirming OOMCO’s commitment to various national welfare initiatives.

OOMCO CSR initiatives are not limited to the above-mentioned programs only. Our company has also sponsored various initiatives and programs which helped in building a better community and

wider beneficiaries that have a sustainable benefit. The total CSR invested amount into different Corporate Social Responsibility programs has reached OMR 117,648 during the year 2024.

## Outlook

The national economic outlook remains positive, and this favorable environment is expected to be reflected in OOMCO's performance. In line with its five-year strategy (2022–2026), the company is executing a clear growth roadmap focused on domestic and international expansion, while emphasizing future mobility, sustainability, renewable energy, and operational excellence. By streamlining processes and optimizing operations, OOMCO is well-positioned to enhance efficiency, profitability, and long-term value creation.

### **Retail Network**

The Retail division remains a core pillar of OOMCO's business, and its expansion continues as planned. In 2024, the company introduced two new service stations in the Sharqiyah and Dhofar regions, along with three additional stations and the refurbishment of three existing sites, currently under construction. This expansion brings the total number of operational service stations in Oman to 237, reinforcing OOMCO's commitment to increasing accessibility and service excellence.

### **Shop, Food, and Services (SFS)**

The SFS segment continues to grow as an integral part of OOMCO's retail strategy. The company is actively transforming its service stations into one-stop destinations, offering a diverse range of products and services to enhance customer convenience and drive non-fuel revenue growth.

### **International Retail Expansion**

In 2024, OOMCO continued its global retail expansion, now operating 37 service stations in Saudi Arabia and 12 in Tanzania. A key milestone was achieved when OOMCO KSA officially received its Franchise Certificate on November 6, 2024, reinforcing its long-term commitment to market presence and sustainable growth in the region.

### **Commercial Business**

Despite intensified competition and tighter profit margins, the Commercial Fuel Business maintained stable profitability and successfully expanded its customer portfolio. By focusing on delivery efficiency, strengthening strategic partnerships, and integrating innovative technologies, OOMCO ensured its resilience and continued value creation for its customers.

### **Aviation Business**



OOMCO retained its leading position as the primary fuel supplier at Muscat International Airport, serving major customers such as Oman Air, Salam Air, and several international airlines. Although Oman Air's fuel uplift volume declined due to its ongoing restructuring program, the aviation segment remained resilient, driven by increased fuel demand from other airline customers.

### **Lubricants Growth**

In 2024, Oman Oil Lubricants reinforced its market leadership, achieving steady growth across distribution channels while maintaining a strong focus on quality and premium segment expansion. The company's strategy remains centered on entering new growth markets, implementing targeted marketing initiatives, and leveraging digital and promotional campaigns to drive sustainable growth in Oman and internationally.

### **Marketing Excellence**

With the ambition of becoming the most customer-centric marketer in the GCC, the Marketing Department remains focused on differentiating OOMCO from competitors through innovative services tailored to customer needs. The company continues to enhance its engagement strategy to connect with customers wherever they are on their journey.

### **Digital Transformation**

As a customer-facing domain, Digital has evolved at an unprecedented pace, reshaping customer interactions and business models. With the shift towards customer-centric strategies, Digital plays an increasingly prominent role in business transformation. Today, a growing number of OOMCO's customers engage with the brand through digital platforms, reinforcing the importance of ongoing digital innovation and technological investments.

### **Resilience and Future Strategy**

As OOMCO continues to innovate and expand, the company remains committed to identifying and capitalizing on viable opportunities that drive long-term performance in a sustainable manner. While market challenges are inevitable, OOMCO is fully prepared to navigate uncertainties by enhancing operational and service excellence, optimizing cost efficiency, and realigning business strategies to maintain its competitive edge.

With a strong commitment to its stakeholders, OOMCO is well-positioned to overcome future challenges and continue delivering sustainable value across its operations.

## Acknowledgments

I would like to take this opportunity to extend my sincere appreciation and gratitude to all our valued customers, government authorities, dealers, their staff, and our dedicated employees for their unwavering support and commitment. Their trust and collaboration remain the cornerstone of our continued success and growth.

On behalf of the Board of Directors, management, and all employees, we express our deepest appreciation and gratitude to His Majesty Sultan Haitham bin Tariq—may Allah protect him—and His Honorable Government. Under his wise leadership and vision, Oman continues on a path of prosperity, growth, and sustainable development, fostering an environment of progress and opportunity for all.

Thank you.

On behalf of the Board of Directors

**Chairman**