

Management Analysis Report 2024

Introduction

During this year, Oman Oil Marketing Company (OOMCO) was able to achieve extra miles through the expansion in the number of service stations as well as the variety of the products and services provided to the customers.

The company continues moving forward with the development of modern technologies and smart solutions for fast and secure purchases.

We are committed to promoting and contributing to the economic and social progress in the Sultanate of Oman as we continue to innovate, enrich, and develop in all sectors of the industry. Moreover, our teams work to provide maximum services to customers in order to facilitate and provide their consumer requirements.

We will always continue to achieve our ambitions with the ongoing developments in the Sultanate derived from the Oman Vision 2040, which is driving the company and the progress of the Sultanate in the coming year.

Health, Safety, Environment, Quality, 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 CO₂ 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 CO₂ 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.

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.

Retail Network

The Retail division remains a core pillar of OOMCO's business, continuing its strategic expansion in line with the company's growth plan.

In 2024, OOMCO 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 has brought the total number of operational service stations in Oman to 237.

To further strengthen its presence, the team signed seven new fuel supply agreements and plans to convert four existing sites into retail hubs, aligning with OOMCO's vision of transforming its stations into "one-stop destinations."

A major milestone in 2024 was securing strategic locations for three MEGA Service Stations on the Al Batinah Expressway—two in Barka Al Uqda and one in Liwa. The Liwa Express MEGA Service Station has already begun construction and is

scheduled to be operational in Q1 2025, significantly enhancing OOMCO's footprint on this key transport corridor.

Ultimax 98, the highest octane fuel introduced by OOMCO in 2018, is now available at more than 113 service stations nationwide, with plans for further expansion to reach more customers across Oman.

OOMCO operates 109 service stations accounting for 46% of the entire retail network demonstrating the company's expertise in station management. The success of these stations has resulted in outstanding customer service, stronger cash flow, and reinforcement of the Oman Oil brand as the leading fuel marketer in the Sultanate.

The Shop, Food, and Services (SFS) segment is a key pillar of OOMCO's retail business and growth strategy, driving the transformation of service stations into one-stop destinations that offer a diverse range of products and services for motorists. Through strategic integration and modernization initiatives, OOMCO is enhancing customer convenience and expanding its non-fuel revenue streams.

At the core of this transformation is Ahlain Convenience Stores, which operate 60 outlets across Oman under Ahlain International, a subsidiary of OOMCO. These stores are currently undergoing a modernization program, introducing a new look and feel designed to enhance the customer shopping experience. Complementing this expansion, Café Amazon, OOMCO's popular coffee franchise, continues its nationwide growth, with 14 locations across Oman, including two newly introduced container units in Dhofar and two additional stores in the capital region.

Further enhancing service station offerings, Quick Service Restaurants (QSRs) and Car Care Centers provide added convenience to customers. Currently, 66 QSR

outlets and 29 Car Care Centers are in operation across OOMCO stations, managed by third-party partners, catering to the diverse needs of motorists.

In line with OOMCO's digital transformation strategy, the company is integrating connectivity and digital payment solutions to further enhance the customer experience. Strategic collaborations, such as the partnership with Thawani, have enabled e-payment solutions, offering seamless and secure transactions. Additionally, digital screens have been deployed in 50 service stations, serving as a dynamic communication platform across the retail network.

To further solidify its position as a market leader in service station innovation, OOMCO continues to expand its range of value-added services. These include ATM facilities, bill payment services, post office amenities, and additional customer-centric solutions that go beyond fuel retail, fulfilling both the needs and expectations of modern consumers.

The Fuel Cards division remains a key driver of growth and value creation for both OOMCO and its customers, offering secure, convenient, and innovative fueling solutions that continue to set industry benchmarks. Widely recognized for their efficiency and reliability, OOMCO's fuel card solutions have strengthened their market position, reinforcing customer trust and adoption.

In 2024, the division achieved remarkable milestones, including a 6% growth in fuel card sales, sustaining a steady upward trajectory in adoption. The increased uptake of e-Fill customers further accelerated digital transformation in fueling, providing seamless, cashless transactions and improved user convenience. A significant achievement was securing a 56% market share in the National Subsidy System (NSS), reflecting strong customer confidence in OOMCO's fuel card offerings. Additionally, to enhance accessibility and customer experience, the division

expanded bank card transactions by increasing the number of POS machines across service stations, facilitating smoother and more efficient payment processes.

With a commitment to continuous innovation, digitalization, and customer convenience, OOMCO's Fuel Cards division remains dedicated to driving further market expansion, enhancing operational efficiency, and reinforcing its leadership in the fueling solutions sector.

OOMCO's Retail division remains focused on expanding its network, enhancing customer experience, and driving digital transformation. Through strategic partnerships, smart fueling solutions, and innovative service offerings, OOMCO continues to lead Oman's fuel retail industry, reinforcing its commitment to quality, convenience, and sustainability.

International Retail

In 2024, OOMCO continued its international retail expansion, making significant developments in the Kingdom of Saudi Arabia (KSA) and Tanzania. The company successfully operated 37 service stations across various regions in KSA, marking a key milestone in its growth journey. Additionally, OOMCO secured several new service station locations, currently under construction in the Eastern and Western regions, further reinforcing its expansion strategy.

Recognizing the fast-paced dynamics of the market, OOMCO obtained a Franchise Permit from the relevant government authorities in KSA. This milestone will enable the company to monetize its brand and expertise while facilitating rapid expansion across the country.

OOMCO maintained its strong presence in Tanzania, operating a total of 12 service stations. This strategic growth aligns with the company's commitment to broadening

its footprint and enhancing accessibility to its products and services in key markets. Moreover, OOMCO made significant progress in its fuel bulk sales operations, which emerged as a major contributor to its overall performance. In 2024, bulk fuel sales accounted for more than 75% of the company's total fuel sales, highlighting its ability to diversify revenue streams and capitalize on emerging opportunities in the energy sector.

Commercial

In 2024, OOMCO's Commercial Fuel Business maintained stable profitability and successfully expanded its customer portfolio, despite facing intensified competition and narrower margins within the sector. By prioritizing delivery efficiency, strengthening strategic alliances, and integrating innovative technological solutions, the business remained resilient and continued to drive value for its customers.

A key focus for the future is the adoption of alternative fuels, a strategic move that not only supports business growth but also aligns with Oman's carbon emissions reduction plan. Expanding into this segment and building relationships with new customers allows OOMCO to contribute to national sustainability goals while reinforcing its position as a leader in the transition to cleaner energy solutions.

Innovation and integrated solutions remained at the heart of OOMCO's commercial fuel strategy in 2024, laying the foundation for sustainable growth. The company developed a distinct value proposition with clear segmentation strategies, enabling it to expand market share across multiple segments while addressing the specific needs of diverse customer groups.

Further strengthening its B2Smart identity, OOMCO continued to leverage digital transformation to enhance customer experience and satisfaction. By shaping

innovative offerings through digital platforms, the company reinforced its commitment to mobility solutions, ensuring seamless and efficient service delivery.

Despite a limited number of large-scale infrastructure projects in 2024, OOMCO remained actively involved in several strategic initiatives that will enhance Oman's competitiveness and support sustainable national growth in the years ahead. These projects reflect OOMCO's commitment to driving progress, fostering economic resilience, and contributing to the country's long-term development.

Aviation

The aviation sector continues to face margin pressures due to intensified competition and the strong bargaining power of airlines. Despite these challenges, OOMCO remains committed to enhancing operational efficiencies by leveraging advanced technologies and maintaining a lean cost structure. The company's strategy focuses on optimizing unit costs while upholding the highest standards of Health, Safety, Environment, and Quality (HSEQ) and delivering exceptional customer service.

Throughout 2024, OOMCO maintained its position as the leading fuel supplier at Muscat International Airport, serving key customers, including Oman Air and Salam Air, as well as several international airlines. While Oman Air's fuel uplift volume declined due to its ongoing restructuring program, the sector remained resilient, supported by increasing fuel demand from other airline customers.

OOMCO continues to strengthen its aviation fuel business, ensuring reliable supply, cost efficiency, and service excellence, positioning itself for sustained growth in an evolving market.

Lubricants

In 2024, Oman Oil Lubricants strengthened its market position, 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 both domestically and globally.

BP & Castrol lubricants demonstrated notable growth, fueled by strong demand from the Oil & Gas sector, increased adoption of synthetic lubricants, and a rising need for specialty-grade lubricants. This growth reflects higher industrial activity, evolving performance requirements, and a greater emphasis on drilling efficiency and asset longevity, leading to increased demand for high-performance lubricants in extreme conditions.

The synthetic lubricant market experienced an upward trend, driven by the automotive and industrial sectors' preference for extended drain intervals and enhanced efficiency. Additionally, demand for specialty-grade lubricants gained traction in niche industries, where OEMs recommended next-generation lubricants designed for improved wear protection and sustainability.

To support this growth, Oman Oil Lubricants intensified digital and traditional marketing efforts, increasing brand visibility and consumer engagement. These initiatives have strengthened retail channel performance, enhanced customer retention, and reinforced the company's reputation as a trusted provider of high-quality lubricant solutions.

Customer Care

At OOMCO, customer satisfaction remains a top priority, with the Customer Care Department dedicated to delivering exceptional service and seamless support across Oman and KSA. Through proactive communication and engagement, the department ensures that customer inquiries, complaints, and fuel requests are handled efficiently via the Customer Care Center system, reinforcing a smooth and responsive customer experience.

OOMCO continues to strengthen customer relationships through annual engagement initiatives and dedicated events. A key highlight of the year was Customer Care Week, held in October, during which executive management and company leaders visited service stations across multiple governorates in Oman. This initiative provided valuable firsthand insights into customer needs, further underscoring OOMCO's unwavering commitment to service excellence.

In addition, the department successfully introduced the Tanzania Operations Manual, a milestone that enhances service standardization and extends OOMCO's customer care framework into new markets, ensuring consistent, high-quality service delivery across its expanding footprint.

Information Technology & Data Management

In 2024, the Information Technology & Data Management (IT&DM) department at Oman Oil Marketing Company (OOMCO) continued its digital transformation journey, achieving significant milestones that enhanced operational efficiency, cybersecurity, and business integration. A key achievement was the successful implementation of the Oracle ERP system in OOMCO KSA, streamlining business operations, improving financial management, and ensuring regulatory compliance,

providing a scalable foundation for future growth. The division also completed the OQ FT integration, enabling seamless data exchange and process automation between critical business functions, thereby enhancing operational coordination.

In line with OOMCO's commitment to workforce efficiency, the introduction of the HRMS module for SFS automated HR processes, improving workforce management and ensuring compliance with labor regulations. To strengthen cybersecurity, Multi-Factor Authentication (MFA) was deployed across critical IT systems, significantly reducing risks associated with unauthorized access and data breaches. Additionally, the launch of the Data Classification Project reinforced data governance, improving security, compliance, and information management across the organization.

Enhancements in digital innovation continued with the deployment of Ejaba+ second plate number entry, optimizing fleet management solutions and improving customer experience and operational accuracy. The HR Performance Management System (PMS) was also upgraded to enhance performance tracking mechanisms, ensuring closer alignment between employee objectives and business goals. In line with OOMCO's corporate social responsibility initiatives, a digital framework for CSR & Sponsorship management was introduced, streamlining processes and improving transparency in stakeholder engagement.

The division also made significant advancements in financial technology by implementing the NBO-B2B integration, which facilitated seamless and secure financial transactions, reducing manual processing times and enhancing efficiency. The Asset Management solution was introduced to optimize asset tracking and maintenance scheduling, driving cost savings and improved operational control. The Property Revenue Leases initiative automated lease management, ensuring timely renewals, revenue tracking, and more efficient decision-making. Additionally, the deployment of KSA Middleware provided a critical integration layer, improving

system interoperability and enhancing data exchange efficiency across enterprise applications.

Through strategic investments in technology, cybersecurity, and data management, the IT&DM division has strengthened OOMCO's digital capabilities, enabling seamless operations and positioning the company for continued growth. As OOMCO advances its digital transformation, the division remains committed to driving innovation, operational excellence, and technological leadership to support the company's long-term business objectives.

Marketing & Digital

In pursuit of customer-centric excellence, the Marketing and Digital department at OOMCO have continued to drive growth, engagement, and innovation, leveraging digital transformation and strategic partnerships to enhance customer experiences. By implementing targeted marketing campaigns, introducing innovative fuel initiatives, and strengthening digital outreach, OOMCO has successfully reinforced its position as a market leader in premium fuel offerings and retail excellence.

One of the key achievements of the year was the remarkable 72% increase in Ultimax98 sales, surpassing the annual target by 62%. This growth was fueled by impactful campaigns such as the Ultimax98 Ascension Day Offer, the 100 Stations Ceremony, and National Day Promotions, further solidifying OOMCO's leadership in the premium fuel market. Strategic collaborations with Bank Muscat, NBO, Ahli Bank, Dhofar Bank, and AhliBank Islam introduced cashback promotions, effectively driving customer footfall across fuel stations, Ahlain stores, and Café Amazon, while also strengthening brand loyalty and cross-segment engagement.

OOMCO also led innovative fuel initiatives, including the Self-Service Pilot Project, redesigned fuel cards, and a six-month campaign for ProCare fuel additives, aimed

at enhancing customer convenience and operational efficiency. Expanding its digital reach, OOMCO actively promoted Basma Cards and the OOMCO App at major corporate and public events, including OIA, Omantel, Nama, the Ministry of Education, and SQU Business Week, resulting in over 10,000 new registrations, further solidifying its digital footprint and customer connectivity.

Retail and SFS growth remained a key focus, with Café Amazon experiencing an increase in market presence through targeted campaigns, supplier partnerships, and new café box promotions, contributing to greater customer engagement. Simultaneously, Ahlain's footprint expanded through cross-selling initiatives with banks and loyalty platforms such as OIA, Thawani, and Fuscano, enhancing customer retention and sales growth.

On the B2B front, OOMCO executed short-term strategies to enhance profitability, while developing long-term sustainability plans to drive consistent growth. The company further expanded into the Oil & Gas sector within the commercial lubricants segment, reinforcing its presence in the B2B market and diversifying its revenue streams.

By adopting a data-driven approach, innovative marketing strategies, and digital engagement initiatives, OOMCO remains steadfast in its commitment to delivering seamless customer experiences, expanding market reach, and maintaining its position as an industry leader in the evolving energy and retail landscape.

Digital Advancements

At OOMCO in 2024 we continued to drive innovation and transformation, introducing new digital solutions aimed at enhancing customer experience, operational efficiency, and market engagement. Through strategic initiatives and

technological advancements, OOMCO reinforced its leadership in digital transformation and customer loyalty programs, further solidifying its position in the fuel and retail sectors.

A key achievement was the expansion of Loyalty for All, which resulted in over 105,000 new customer registrations, significantly strengthening OOMCO's loyalty program and customer retention efforts. Additionally, the year witnessed the successful launch of several key digital projects, including NFC Payments, enabling seamless and contactless transactions for enhanced convenience, as well as Hosting Migration, which improved system reliability, performance, and security. To enhance financial accuracy and operational efficiency, OOMCO introduced Auto-Reconciliation, streamlining accounting processes. Meanwhile, the Enhanced Refueling Flow project was implemented to optimize the customer fueling experience, ensuring a faster and more efficient service delivery.

A major breakthrough in OOMCO's digital transformation journey was the launch of Oman's first-ever Digital MID, developed in partnership with Citex. The pilot installation at the Sultan Qaboos University (SQU) service station marked a significant milestone, introducing a new revenue stream and setting the foundation for further advancements in digital payment and automation solutions.

These achievements reflect OOMCO's unwavering commitment to innovation, customer satisfaction, and technological excellence. By continuously enhancing its digital offerings, optimizing operational capabilities, and leveraging cutting-edge technologies, OOMCO remains at the forefront of digital transformation, ensuring sustained leadership in the fuel and retail industries.

Outlook

As OOMCO continues to play a pivotal role in Oman's economic growth, the company remains committed to a forward-thinking strategy focused on new investments, strategic joint ventures, and the expansion of non-fuel revenue streams, particularly in Shop, Food, and Services (SFS). With a clear vision to become the most customer-centric fuel marketer in the GCC, OOMCO is actively expanding its local and international presence, with ongoing growth initiatives in the Kingdom of Saudi Arabia and Tanzania.

A key element of this expansion is the implementation of an innovative retail model, positioning OOMCO's service stations as lifestyle destinations. The introduction of MEGA service stations will redefine customer experience by offering a comprehensive range of facilities, including money exchange outlets, gyms, restaurants, post offices, laundry services, children's play areas, and family-friendly shopping centers. This unique approach reinforces OOMCO's commitment to enhancing customer convenience and establishing itself as the preferred one-stop-shop for fuel and retail services.

Beyond fuel retail, OOMCO is actively strengthening its lubricants business, further expanding across regional and international markets. With an existing footprint in multiple countries, the company aims to solidify its position as a leading lubricants provider, leveraging innovation, quality, and market expansion strategies.

Guided by its five-year strategic plan (2022-2026), OOMCO remains focused on strategic diversification, domestic and international expansion, and a transition towards renewable energy solutions. By continuously expanding its footprint, diversifying revenue streams, and exceeding customer expectations, OOMCO is well-positioned to deliver innovative solutions that meet evolving market demands.

As we conclude our review of OOMCO's operational performance for 2024, we look ahead with confidence. With a customer-centric approach, strategic initiatives, and a commitment to innovation, OOMCO remains dedicated to driving sustainable growth and long-term success in the energy and retail sectors.

Tarik Mohammed Al Junaidi

Chief Executive Officer