

## Directors' Report

### Dear Shareholders,

On behalf of the Board of Directors, please find hereunder the unaudited results of Oman Oil Marketing Company SAOG (OOMCO) "Group" for the period ended 30<sup>th</sup> of June 2021.

### Company Performance

#### OOMCO: Consolidated

All in "OMR"	YTD June 2021	YTD June 2020	Variance (%)
Sales	247,844,514	221,518,633	11.9%
Other Income	1,104,303	1,016,317	8.7%
Profit / (Loss) after tax	1,889,558	(377,285)	600.8%
Earnings/(Loss) per share	0.0293	(0.0058)	600.8%
Net Assets per share	1.171	1.142	2.6%

Against the backdrop of recovery of the local and global economy despite the continuing adverse effect of the COVID-19 pandemic, the OOMCO Group's sales revenue amounted to OMR 247.8 Million in the first half year of 2021, which is accounting for 11.9% more than in the previous year. The increase was mainly due to the results of higher sales in the retail business, cost optimization, efficient receivable management and increase in the fuel pump prices. The gross profit increased by OMR 2.5 Million standing at OMR 17 Million as of 30th June 2021.

At OMR 2.5 Million, the OOMCO Group's operating profit for the first half of 2021 exceeded the prior year by OMR 2.76 Million. The OOMCO Group's net earnings before tax went up by OMR 2.79 Million while the net profit after tax increased by 600.8%.

### HSEQ-Technical & Sustainable Development

OOMCO celebrated 1 million safe man-hours at Duqm terminal project, as well completed MAF terminal demolition project safely. The company keeps on monitoring its business continuity plan to manage the impact of Covid-19 while taking all required measures to ensure the safety of its employees, contractors, and customers. Furthermore, as part of OOMCO's Sustainability Plan to reduce its carbon footprint, OOMCO solar stations has produced almost 560 MW of electricity that consumed at its Service Stations and also feed the grid. OOMCO is also moving steadily toward E-mobility and completed its third Electrical Vehicle Charging in its Service Station.

## **Business Development**

OOMCO and Oman Tank Terminal Company (OTTCO) signed an agreement of operating and maintaining OOMCO's bunker terminal facility in the port of Duqm. The agreement represents the strong effort of the two companies to offer a cost-effective proposition to their customers both for the storage of liquid products and marine fuel delivery in the port, as well as the contribution to the competitiveness of Duqm as a regional port.

The company has signed a Memorandum of Understanding (MoU) with Omantel to accelerate digital transformation across Oman. The agreement will enable the first Artificial Intelligence and IoT-powered Smart Store in Oman and in the Middle East, with an enhanced queue-free, cashless, and grab-and-go shopping experience. The MoU outlines the strategic partnership between the two industry leaders. Omantel will supply the necessary smart technologies. OOMCO will bring a new mix of products compatible with the store's technologies, leading the retail and convenience store industry towards an enhanced, intelligent, and cost-effective future.

Marking a major milestone in its marine business, OOMCO has signed a Memorandum of Strategic Collaboration (MSC) with Asyad Group through its Ship Management for the provision of bunker fuels. The agreement, under which OOMCO will supply the Oman Shipment Management Company (OSMC) with different grades of Marine Fuels in all ports of Oman, marks a long-term strategic business collaboration that seeks to cement the Sultanate's position as a global logistic hub. As a key player in Oman's fuel supply chain, OOMCO continues to expand its commercial services, while building a reputation for high quality, secure and reliable solutions.

## **Human Resources**

The company continues to develop its Omani national employees and raise the Omanisation rate, which reached by end of June 2021 a percentage of 87%.

In order to sustain the stimulating work environment, OOMCO has reviewed and approved new succession planning framework that will ensure business continuity though balancing Omanisation plan and the company future required talents.

As part of the Government's efforts to combat the Corona virus, OOMCO has committed to provide the vaccine to the employees and their families aiming to ensure community protection and create a safe work environment.

## **Corporate Social Responsibility**

The company continued its efforts to support small and medium enterprises by continuing the support provided to entrepreneurs affiliated with the Tasweiq program last year. Moreover, the company utilized digital screens at service stations to support SMEs advertisements and awareness campaigns like drugs combating campaign in

collaboration with ROP. The company continues its efforts in searching for opportunities to support with a sustainable benefit to the society.

## **Outlook**

Taking into account the current situation and its impact on the whole economy, OOMCO continues to innovate. It has developed new initiatives to ensure that it remains resilient. The company will spare no efforts to enter all viable opportunities that will enhance the overall company performance in a sustainable way.

The Board and the Management are fully dedicated and committed to facing the challenges of 2021 and remain confident that the Company will continue to deliver value to all our stakeholders.

## **Acknowledgments**

I would like to take this opportunity to thank all our customers, the government authorities, our dealers, their staff and our own dedicated employees for their continued support.

On behalf of the Board of Directors, the Management and all our employees, we would like to express our sincere gratitude and appreciation to His Majesty Sultan Haitham bin Tariq Al Said – Allah save him- and His Honorable Government. Under his wise leadership and guidance, Oman continues to be in the forefront path of prosperity, growth and development.

Thank you.

**On behalf of the Board of Directors**

**Hilal Ali Saif Al Kharusi**  
**Board Chairman**