

Directors' Report

Dear Shareholders,

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

Company Performance

All in "OMR"	YTD September 2021	YTD September 2020	Variance (%)
Sales	393,906,404	331,583,500	18.8%
Other Income	1,687,208	1,412,355	19.5%
Profit / (Loss) after tax	3,599,842	4,611	77,971%
Earnings/(Loss) per share "Bz"	55.81	.07	77,971%
Net Assets per share "OMR"	1.198	1.142	5.9%

OOMCO's Group continued its positive business performance and posted a record result despite challenging conditions in the 9 months of 2021.

OOMCO Group's sales revenue amounted to OMR 393.91 Million in the 9 months of 2021, 18.8% more than in the previous year. The increase was mainly the results of higher sales in the retail business, cost optimization, efficient working capital management and increase in the fuel prices. The gross profit increased by OMR 4.25 Million (YTD Sept, 21 Gross Profit OMR 26.79 Million).

At OMR 4.59 Million, the OOMCO Group's operating profit for the 9 months of 2021 exceeded the same period of last year figure by OMR 4.20 Million. The OOMCO Group's net earnings before tax went up by OMR 4.29 Million while the net profit after tax increased by OMR 3.6 Million in comparison with same period of 2020.

HSEQ-Technical & Sustainable Development

Oman Oil Marketing Company SAOG, Sultanate Energy Company in Tanzania and Duqm Terminal Company in Duqm had a safe record of Zero LTIR and TRIT in Q3 2021. OOMCO had safely commissioned the Duqm terminal and able to complete major projects of Sawadi and 3 retail New To Industry (NTI) safely.

The company keeps on monitoring its business continuity plan to manage the impact of Covid-19 and was able to resume 100% workforce after completion of second dose vaccination to all employees. Furthermore, as part of OOMCO's Sustainability Plan to reduce its carbon footprint, OOMCO solar stations has produced almost 850 Mega Watt (MW) of electricity consumed at its service stations and also feed the grid. OOMCO is also moving steadily toward E-mobility and has completed its third Electrical Vehicle Charging (EVC) in its retail service station.

Business Development

Strengthening its commitment to sustainability, OOMCO has joined the national initiative to plant 10 million trees in 10 years. The company has allocated several of its service stations to the scheme, which was inaugurated by the Environment Authority (EA) and Petroleum Development Oman (PDO) in 2020 during Oman Environment Day held on 8th January 2021 to preserve wild plants, combat desertification and increase green areas in the Sultanate. As part of its active Corporate Social Responsibility (CSR) program, OOMCO continues to champion charitable, educational, and environmental causes that add value to the community.

Growth with excellence is our strategy when it comes to expanding our footprint internationally. OOMCO is planning to extend its international network with 10 state-of-the-art service stations in Saudi Arabia by the end of 2021. In Tanzania, the company is operating 6 service station across the country. This is in line with our vision to further our expansion plans and to grow our international reach with best-in-class services for all.

OOMCO is always looking for ways to efficiently and competitively digitize, automate, and solve complex sub-surface challenges. The use of Artificial Intelligence (AI) algorithms provides a competitive edge, continues to enhance our processes and products. Our first smart Ahlain store, in collaboration with Omantel. This is the first Smart Store in Oman and in the Middle East, powered by AI and Internet of Things (IoT), that provides customers with an enhanced queue-free, cashless, and grab-and-go shopping experience that was set to transform the service station experience on a regional level.

Human Resources

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

In order to sustain the stimulating work environment, OOMCO has reviewed and approved a new succession planning framework that will ensure business continuity as well a proper establishment of Omani calibers to handle the senior and critical positions in the organization which will sustain and impact positively the Omanisation plan for the long-run with the required talents.

As part of the Government's efforts to combat the Corona virus, OOMCO has committed to provide the vaccine to employees and their families aiming to ensure community protection and creates 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, and to empower the youth in the Sultanate, OOMCO signed an agreement with Infocus Studio to sponsor and support the production of a documentary project, (Oman In Focus: Not Discovered Yet) as a logistic partner. This documentary brings to the viewers an intimate voyage of discovery by exploring Oman's unique wildlife and emphasizes on the importance of conserving the precious life and resources that the Sultanate has to offer while making sure that future generations will be able to do the same. 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 and 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