

## Directors' Report

### Dear Shareholders,

On behalf of your Board of Directors, please find hereunder the Un-audited results of Oman Oil Marketing Company SAOG (“Group”) for the period ended 31<sup>st</sup> of March 2022.

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

OOMCO has successfully maintained its zero LTIR for more than 33 million safe Man Hours as of end March 2022 with safe 100 million kilometer driven. 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 sustainability plan to reduce its carbon footprint, OOMCO solar stations has produced almost 700 MW of electricity that consumed at its stations and feed the grid as well. OOMCO is also moving steadily toward E-mobility and has 3 electrical vehicle charging stations and hosted the first annual EV users gathering. OOMCO successfully was able to offset 810 tons of CO2 due to sustainable and green initiatives adopted by the company.

### Financial Performance

OOMCO group generated sales revenue of OMR 169 Million in 1Q 2022, a rise of 38% compared with the same period in 2021. The increase was mainly the results of higher sales in retail, commercial & aviation businesses and the positive crude oil prices. During 1Q 2022, the gross margin rose to OMR 9.9 Million compared to OMR 8.3 Million for the same period in 2021.

At OMR 1.7 Million, the OOMCO Group’s operating profit for 1Q 2022 exceeded last year figure by OMR 0.8 Million. The OOMCO group earning before tax increased by OMR 0.6 Million while the earnings after tax increased by OMR 0.5 Million compared to 1Q 2021.

### Business Development

Growth with excellence is our strategy when it comes to expanding our footprint internationally. OOMCO has commenced the operation of its fifth service station in the Kingdom of Saudi Arabia. Located in the Eastern Province, Dammam, the one-stop-shop service station caters to customers living in the metropolitan area. The service station features an exciting range of on-the-go shopping, and food and beverage offerings, the company will also add another five service stations around Jeddah to its portfolio in the Kingdom this year, in addition to the five operating stations, we secured 11 sites that are at different stages of development. In Tanzania, the company is operating 8 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. Locally OOMCO has opened its highly awaited mega service station at Al Khoudh 6, Sultan Qaboos University (SQU), the complex is part of a new concept the fuel marketing

company is rolling out, transforming the traditional service station into a one-stop-shop for shopping, food and other lifestyle services. OOMCO in partnership with Omantel, has inaugurated its brand new Smart Ahlain store, the first Artificial Intelligence (AI) and Internet of Things (IoT) powered smart store in the Middle East. Located at Omantel's headquarters in Madinat Al Irfan.

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 provides much more than only 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

The company continues its efforts to create the appropriate work environment in terms of the diversifying training methods between online platforms, class-based training and conferences. Also the company is working on preparing the next generation of managers by implementing the succession planning program and leadership development programs.

The company believes on diversity in order to create a high performance working environment by attracting Omani and Expatriate talents, where the percentage of omanization by end of the first quarter reached 89%.

### Corporate Social Responsibility

The company continued its efforts to support small and medium enterprises by continuing the support provided, OOMCO has signed a Memorandum of Understanding with the Public Authority for Small and Medium Enterprises Development (Riyada) to provide 20 retail stores to support Omani startups. The agreement allows Riyada card holders to apply to rent out specially equipped retail spaces at OOMCO Ahlain stations in various locations throughout the country.

Moreover, the company also supported the efforts of charity association by support Ihsan Association by providing fuel cards for their ambulances which aims to offer a special service transporting elderly patients. The company continues its efforts in searching for opportunities to support with a sustainable benefit to the society.

### Outlook

The future outlook of the national economy is positive and such is expected to reflect on the company performance. Moreover, your Company is pursuing its new five-year strategy (2022 – 2026) which shall reflect a clear growth road map that focuses on domestic and international growth as well future mobility, renewable energy and with operation excellence frame work that aims for effective processes and optimize our operations efficiently.

OOMCO continues to innovate and developing 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.

Challenges are expected: to face them at best and for the benefit of our customers, Your Company will improve its operational and service excellence, cost efficiency and realigning business strategies to cope with market uncertainties ahead.

The Company is committed and prepared for future challenges: we are confident we will continue to deliver value to all 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– 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

**Chairman**