

Directors' Report

Dear Shareholders,

On behalf of your Board of Directors, please find the Un-audited results of Oman Oil Marketing Company SAOG (“Group”) for the period ended 30th of June 2022.

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

OOMCO has maintained its safe operation record in 2022 with zero LTIR record for more than 8 million safe Man Hours as of end June 2022. OOMCO also achieved a milestone of being certified with new version of 6 ISO certificates include new certificate for Food Safety Management System. OOMCO is continuing with its sustainability journey to reduce its carbon footprint, OOMCO solar stations has produced almost 889 MW of electricity that was consumed at its stations and has feed the grid as well. OOMCO is also moving steadily toward E-mobility expanding its EV (Electric Vehicle) chargers network and solar power. OOMCO successfully was able to offset 1420 tons of CO2 due to sustainable and green initiatives adopted by the company.

Financial Performance

OOMCO Group generated sales revenue of OMR 366.7 Million in the first half year of 2022, a rise of 48% 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 2Q 2022, the gross margin rose to OMR 22.22 Million compared to OMR 17 Million for the same period in 2021.

At OMR 5.11 Million, the OOMCO Group’s operating profit for 2Q 2022 exceeded last year figure by OMR 2.61 Million. The OOMCO group earning before tax increased by OMR 2.25 Million while the earnings after tax increased by OMR 1.9 Million compared to 2Q 2021.

Business Development Growth with excellence is our strategy when it comes to expanding our footprint internationally. OOMCO has commenced the operation of its sixth & seventh service station in the Kingdom of Saudi Arabia. Located in the Western Province, Mecca & Jeddah, 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 eight service stations around the Kingdom by end this year. In Tanzania, the company continues its expansion by opening the ninth 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 the highly awaited first branch of Debonairs Pizza, located at Mawaleh, as Africa’s leading pizza chain, the launch also coincided with the opening of OOMCO’s second branch of renowned burger restaurant, Steers, at Mawaleh, adding to its SQU service station outlet. In the coming five years the company aims to open additional Debonairs Pizza branches at service stations across the country, part of its ambitious expansion plan. OOMCO have signed a License agreement with SOHAR Port and Freezone to provide marine fuels to visiting vessels from a floating bunker barge. Fuels available will include Very Low Sulphur Fuel Oil (VLSFO) 0.5% and Low Sulphur Marine Gas Oil (MGO) 0.1% and High Sulphur Fuel Oil (HSFO) 3.5% at a pumping rate up to 1,000 m3 per hour. OOMCO World App was awarded top prize for Excellence in Tech in the Mobile App category in Oman. This award given for Oman Oil’s “OOMCO World” app at COMEX 2022. OOMCO World beat more than 40 other participants competing in this category including leading entities from telecoms and banking sector. 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 works 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 second quarter reached 89%.

Corporate Social Responsibility

The Ministry of Social Development honored OOMCO among the best companies supporting social responsibility programs. This award comes as evidence of the company's continuous efforts to support community service initiative. OOMCO has launched its annual At'a charity campaign. In its fifth year running, the campaign seeks to serve those in need with a range of different charitable and sustainable initiatives. The company has pledged support to Ihsaan Association by donating seven fuel cards for the association's ambulances, which offer a special service transporting elderly patient and those with chronic diseases between their homes and hospitals. Furthermore, OOMCO is giving away 1,000 iftar boxes from its Ahlain stores in an initiative called Iftar on the Road. Giving special gifts to children suffering from cancer with the support of Royal hospital. 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 develop 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