

## 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” (OOMCO) for the period ended 30<sup>st</sup> of September 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 9.2 million safe Man Hours as of end September 2022 Oman and subsidiaries. OOMCO has conducted major emergency drill level 3 in collaboration with Civil Defense Authority in Batina Region to test its readiness and response to emergency. In continuation with building robust management system, OOMCO is in the process of certifying Duqm Banker Terminal with Integrated Management System (ISO) which will support the business growth and international expansion. OOMCO is continuing with its sustainability journey to reduce its carbon footprint as it participated with carbon management lab organized by Oman Vision 2040 Office and continue with its project where OOMCO 9 solar stations has produced almost 1,122,172 KW of electricity cumulatively which consumed at its stations and feed the grid as well.

OOMCO is also moving steadily toward E-mobility expanding its EV chargers network and solar power and award three major projects 7 EV chargers, 10 Vapor Recovery Units, 5 additional stations will powered with solar by end of 2022. OOMCO successfully completed pilot study of biodiesel as product added to OOMCO portfolio which will provide sustainable solution to customer and support their decarbonization target.

### Financial Performance

OOMCO group generated sales revenue of OMR 598 Million in 9M 2022, a rise of 52% compared with the same period in 2021. The increase was mainly the results of higher sales in retail, bunker & aviation businesses and the positive crude oil prices. During 9M 2022, the gross margin rose to OMR 35.15 Million compared to OMR 26.79 Million for the same period in 2021.

At OMR 8.28 Million, the OOMCO Group's operating profit for 9M 2022 exceeded last year figure by OMR 3.69 Million. The OOMCO group earning before tax increased by OMR 3.18 Million while the earnings after tax increased by OMR 2.49 Million compared to 9M 2021.

### Business Development

Growth with excellence is our strategy when it comes to expanding our footprint internationally. OOMCO has commenced the operation of its eighth & ninth service station in the Kingdom of Saudi Arabia. Located in Jeddah & Al Qateef, 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 add another six service stations around the Kingdom by end this year. In

Tanzania, the company will also add another tow service stations by end this year. 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 have signed a Memorandum of Understanding with the Oman Society for Petroleum Services (OPAL) which will offer all companies listed with OPAL access to the OOMCO World loyalty app which is loaded with exclusive benefits, OOMCO will also partner with OPAL to deliver campaigns, workshops, and events throughout the year to bring the industry together and accelerate advances in petroleum services. Digitally OOMCO signed an agreement with talabat as an official OOMCO App redemption partner. Customers can now redeem OOMCO App reward points using the talabat App to enjoy exclusive discounts at a growing range of vendors. OOMCO App loyalty customers will enjoy exclusive discounts and promotions at over 3,000 restaurants across Oman.

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 third quarter reached 90%.

### Corporate Social Responsibility

OOMCO has pledged support to more than 10 association by putting their donation boxes in more than 50 Ahlain shops. The company proceeding the initiative with the Public Authority for Small and Medium Enterprises Development (Riyada) to provide 20 retail stores to support Omani startups, the first shop will be open in 4Q22. 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, sustainability, 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**