

## Directors' Report

Dear Shareholders,

On behalf of your Board of Directors, please find hereunder the Un-audited results of Oman Oil Marketing Company SAOG (“OOMCO/Group”) for the period ended 30<sup>th</sup> of June 2023.

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

OOMCO has maintained its safe operation record in 2023 with zero LTIR record for more than 16 million safe Man Hours as of end June 2023. OOMCO has conducted emergency drill at Halban & Ghala Express stations to test its readiness and response to emergencies. OOMCO worked with ministry of Labor on ‘Heat Stress’ campaign along with Opal and other stakeholders. OOMCO has completed all HSE documents for OOMCO subsidiaries. OOMCO Quality Management System has been audited internally by its lead auditors and externally by major customers which showed the compliance of OOMCO to the standards. OOMCO has trained 20 employees to be ISO lead auditors. OOMCO has successfully acquired 3 ISO certificates for its Duqm Bunker Terminal DBT to ensure all our bunker services are operated within quality standards and process. As part of its green mobility Strategy, OOMCO continued its sustainability journey to reduce its carbon footprint by producing 1601 megawatts (‘MW’) cumulatively of electricity from its 13 solar sourced stations which was consumed at its stations and feed the electrical grid with the surplus energy and managed to recover 906 tons of CO<sub>2</sub>. OOMCO is also moving steadily toward E-mobility and completed the installation of 7 fast chargers in its stations in major routes in Oman highway to become the widest network of EV chargers in Oman totaling 10 chargers. OOMCO continues with clean operations by adding 10 Vapor Recovery units, bringing the total number of units to 13 units to the network which contribute to reduce carbon by 492 tons.

### Financial Performance

The OOMCO group generated sales revenue of OMR 396 Million in H1 2023, an increase of 8% as compared to OMR 367 Million in H1 2022. The increase in revenue was as the results of higher fuel sales by OOMCO and its subsidiaries. During H1 2023 the gross margin rose to OMR 24 Million as compared to OMR 22 Million for the same period in 2022.

The OOMCO group’s operating profit for H1 2023 stands at OMR 4.8 Million, lower by OMR 0.33 Million when compared to the same period last year. Higher operating expenses has mainly contributed to lower year to date operating profit.

The OOMCO group earnings after tax decreased by OMR 1.48 Million standing at OMR 2.31 Million as compared to the same period in 2022, a main contributor being to the global impact of increased financing costs.

### Business Development

---

Growth with excellence is our strategy when it comes to expanding our footprint locally & internationally. OOMCO has opened 4 new service stations located in the Kingdom of Saudi Arabia Eastern & Western provinces totaling 21 service stations by end of June, 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. This is in line with our vision to further our expansion plans and to expand our international reach with best-in-class services for all. Locally OOMCO has signed an agreement with National Bank of Oman (NBO) for a medium-term financing. The credit facility will enable the expansion of the OOMCO's investment portfolio across strategic segments in Oman and support the group's business and investment activities.

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

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

OOMCO believes in 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 half had been 90%.

### Corporate Social Responsibility

OOMCO has launched its annual At'a charity campaign. In its sixth year running, the campaign seeks to serve those in need with a range of different charitable and sustainable initiatives. OOMCO has pledged support to more than 10 associations by placing their donation boxes in more than 50 Ahlain shops. OOMCO continues its efforts in searching for opportunities to support with a sustainable benefit to society.

### Outlook

The future outlook of the national economy is positive and such is expected to reflect on OOMCO's performance. Moreover, OOMCO is pursuing with a 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 framework that aims for effective processes and optimize our operations efficiently.

OOMCO continues to innovate and develop new initiatives to ensure that it remains resilient. OOMCO will spare no efforts to enter all viable opportunities that will enhance the Group's overall performance in a sustainable way.

OOMCO's Board and Management are 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, 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 Tarik– 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**