

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 30th of September 2023.

Health, Safety, Environment, Quality and Sustainable Development

OOMCO has maintained its safe operation record in 2023 with zero LTIR record for more than 18 million safe Man Hours as of end September 2023. OOMCO also recorded an 85% improvement of transportation safety and achieved 120 million safe KM without major Road Traffic Accident. OOMCO has completed major projects safely at different operations in Retails, Marine, Aviation with full compliance to regulations and standard. As OOMCO is also moving toward the ESG, Greenhouse Gases (GHG) assessment study also started to count the GHG emission for all scopes 1,2,3 for OOMCO operations. With regard to quality assurance, OOMCO completed its second ISO internal audit to maintain compliance with its 6 ISO certifications.

As part of its green mobility strategy, OOMCO continued its sustainability journey to reduce its carbon footprint by installing 12 solar systems at OOMCO stations with a total capacity size of 353 KW which is consumed at the stations and feed the electrical grid with the surplus energy and managed to recover tons of CO₂. OOMCO is also moving steadily toward E-mobility and completed several EV installations in various parts of the country and currently has the widest network of EV chargers in Oman with total of 80 active EV chargers that will be shifted to its newly incorporated entity ‘EVO’ in partnership with Synergy. OOMCO continues with its green initiatives to reduce carbon emissions by adding 10 Vapor Recovery units, bringing the total number of units to 23 units to the network which has contributed to reducing carbon emissions by 566 tons cumulatively. OOMCO also signed partnerships and MOUs with different national and international parties to ensure readiness to play its role in future sustainable fuels and alternative energy.

Financial Performance

The OOMCO group generated sales revenue of OMR 538 million in 3Q 2023, an increase of 1% as compared to OMR 535 million in 3Q 2022. The increase in revenue

was the result of higher fuel sales by OOMCO and its subsidiaries. During 3Q 2023 the gross profit rose to OMR 32.2 million when compared to OMR 31.9 million for the same period in 2022.

The OOMCO group's operating profit for 3Q 2023 stands at OMR 10.6 million, higher by OMR 1.3 million when compared to the same period last year due to lower operating expenses when compared to the same period in 2022.

The OOMCO group earnings after tax decreased by OMR 1.97 million standing at OMR 4.11 million as compared to the same period in 2022. The reduction in the earnings after tax is in line with the strategic international expansion into the Kingdom of Saudi Arabia, and the optimized restructuring of Ahlain International Subsidiary.

Due to macro economical market conditions, the Marine Fuel Subsidiary was negatively impacted compared to last year. In addition, the global impact of increased interest rates has resulted in considerable amount of increased costs of financing since the start of 2023.

Business Development

Growth with excellence is our strategy when it comes to expanding our footprint locally & internationally. OOMCO opened four new service stations in the Kingdom of Saudi Arabia's Eastern & Western provinces totaling 25 service stations as of the end of September.

These service stations feature an exciting range of on-the-go shopping, food and car-related services. 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 reformatted its Ahlain experience and has a role out plan to convert all its Ahlain stores. The fourth Ahlain convenience_store has undergone a new design and there are more are to follow. The pillars for this renovation are to enhance customers' experience by providing convenience and appealing to a modern new look and feel.

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 strengthen its workforce capabilities by offering a diversified range of options and platforms to its employees to enhance their competencies and knowledge considering our evolving changing environment. Also, OOMCO works on preparing the next generation of leaders by implementing the succession planning program and leadership development programs.

OOMCO believes in diversity 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 89%.

Corporate Social Responsibility

OOMCO welcomed the second group of its 'Experience Hub' program to gain hands-on work experience. Launched in 2022 in close cooperation with the Oman Ministry of Labour, OOMCO's Experience Hub program enables young Omanis to develop transferable skills alongside the subject-specific knowledge they acquired during their undergraduate studies.

Also, and in partnership with the Youth Center, OOMCO launched Tmakon, its Corporate Social Responsibility program to empower young Omanis to reach their full potential as emerging entrepreneurs. Tmakon aims to build the capacity of Omani youth-led startups and small to medium-sized enterprises (SMEs). It will also enable participants to further develop innovative thinking and other relevant skills to run a business successfully.

OOMCO aims to add value to local communities through its CSR initiatives. OOMCO supports various charitable, educational, and environmental events and initiatives.

Outlook

The outlook of the national economy is positive, and such is expected to reflect on OOMCO's performance. Moreover, OOMCO is pursuing a five-year growth strategy (2022 – 2026) which shall reflect a clear 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 and has a robust framework to evaluate 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 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