

## 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 2023.

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

OOMCO has maintained its safe operation record in 2023 with zero LTIR record for more than 13 million safe Man Hours as of end March. OOMCO has finalized its emergency drill plan for 2023 in collaboration with Civil Defense Authority to test its readiness and response to emergency. OOMCO completed its first quarter HSE evaluation for Tanzania operations. It also conducted its quarter transporter safety meeting. In continuation with building robust management system, OOMCO maintained compliance and conformance with 7 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 produced 1260 MW cumulatively of electricity from Solar source in its 13 stations which was consumed at its stations and partially fed back to the grid resulting in 892 tons of CO<sub>2</sub> recovery. OOMCO is also moving steadily towards E-mobility and completed installation of 7 fast chargers which has resulted in connecting major routes here in Oman. The result is a total of 10 fast electric vehicle chargers distributed all over Oman. In addition, OOMCO have a total of 13 Vapor Recovery units installed in various stations which contribute to a reduction of 445 tons of CO<sub>2</sub>.

### Financial Performance

The OOMCO group generated sales revenue of OMR 202 Million in Q1 2023, an increase of 20% as compared to Q1 2022. The increase in revenue was the results of higher sales in the bunker fuel trade and the aviation segment. During Q1 2023 the gross margin rose to OMR 11.9 Million as compared to OMR 9.9 Million for the same period in 2022.

The OOMCO group's operating profit for Q1 2023 exceeded last year by OMR 0.6 Million standing at OMR 2.3 Million. The OOMCO group earning before tax increased by OMR 0.27 Million while the earnings after tax increased by OMR 0.196 Million compared to Q1 2022.

### Business Development

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Growth with excellence is our strategy when it comes to expanding our footprint locally & internationally. OOMCO signed an agreement to develop MEGA service stations along Al Batinah Expressway. At 30,000 square meters each, all three sites will be offering a one-stop shop designed around a wider variety of services that drivers need on the go. The service hubs, of which one will be located in the Wilayat of Liwa and two others in the Wilayat of Barka, will include not just fuel stations but also coffee shops, car care centers, convenience stores, shopping complexes featuring global brands and ATMs.

In the presence of His Excellency Tariq Al-Mulla, Egyptian Minister of Petroleum and Mineral Resources, His Excellency Abdullah bin Nasser Al-Rahbi, the Sultanate's Ambassador to the Arab Republic of Egypt, OOMCO signed an agreement with Alexandria Company for Petroleum Additives (ACPA) for the production, mixing and packaging of Lubricants in Egypt. ACPA will act as a hub to market and sell OOMCO's lubricants in Africa. OOMCO also signed a Memorandum of Understanding with Egypt Petroleum Company for the manufacture and supply of lubricants.

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 first quarter reached 90.3%.

### Corporate Social Responsibility

OOMCO has pledged support to more than 10 associations by putting their donation boxes in more than 40 Ahlain shops. OOMCO supported Al Jawdah center for rehabilitation and training of children with autism spectrum disorder in Dhofar. The company supported the Ministry of Endowment events "Taaruf" which was on the first day of Ramdahn. OOMCO 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 with its 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 optimization of our operations efficiencies. 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's performance in a sustainable way.

Challenges are expected, and in order to face them, Your Company will continuously 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.

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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— May Allah always protect 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**