

Dear Shareholders,

On behalf of your Board of Directors', it gives me great pleasure to present the Annual Report of Oman Oil Marketing Company SAOG for the financial year ending on 31st of December 2022.

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

At OOMCO, our most valued resources are our employees, our customers, and the communities we serve. We are dedicated to provide a safe environment for employees and customers, protecting the public, and preserving OOMCO properties and assets. This year 2022, Oman Oil Marketing has maintained a Safety record of zero Lost Time Injury in 11 million working man-hours. OOMCO also achieved a Safety record for the fifth year since it has not recorded any major road traffic accident considering the transport of its fuel across Oman. No OOMCO facility has witnessed any fire or environmental accident. To keep OOMCO a safe place to work within, to fuel and to shop, Oman Oil Marketing initiated different creative initiatives during its HSEQ week, where all stakeholders have been involved to health, safety and environment activities. Emergency response and readiness was a focus for Oman Oil Marketing in 2022: the company conducted different emergency drills and organized level 3 emergency drill with civil defense to test the crisis management plan and emergency response. Our HSEQ culture is vivid across all our operations and is a combination of policies and practice. We strategically implement policies and audit our management system, we also develop performance reviews to identify areas for greater improvement. All together leads to have OOMCO renew its compliance with five different Management system standards: ISO9001:2015 (Quality Management System), ISO14001:2015 (Environmental Management System), ISO45001:2018 (Occupational Health & Safety Management System) and ISO27001:2013 (Information Security Management System), ISO 22301:2019 for Business Continuity Management System and in 2022, OOMCO has been

certified with ISO 22000:2018 for Food Safety Management System to align with its strategy in food and beverages expansion. OOMCO also expand its management system to include its fuel bunker in Duqm to ensure providing its customers with qualified system.

In relation to research and development, OOMCO technical team has successfully developed different lubricants oil as per the market need and also registered many products with international organization (API) to market the products in international market. In addition to that, the technical team has completed its technical quality monitoring plan to ensure the fuel and lubricants oil are within specifications and meeting customers requirement. As a customer centric company, all complains have been attended and closed in time with satisfaction of customers. The technical team has successfully launched Biodiesel product and OOMCO is the only fuel retailer who market this product as alternative and clean fuel. As part of its commitment to deploy sustainable and clean energy at its operations and contribute to the national efforts to achieve carbon neutrality target 2050. OOMCO has powered eleven of its service stations with solar energy, those are connected directly to the electricity distribution network and can power back to the grid in exchange for an agreed tariff with the Authority for Electricity Regulation. The solar power generation reach to 1200 MW and contribute to reduction of 841 tons of CO₂. OOMCO has also installed 13 Vapor Recovery Units at its stations to reduce the carbon emission from its operations of loading and unloading fuel. In 2022, OOMCO has a unique project in electrification and E Mobility where installed 7 new electrical vehicle fast chargers above 120KW and cover the main routes in Oman to provide the service to electrical vehicles owners.

Financial Performance

The financial performance of our company has been exceptional following the challenging post pandemic period. As the economy resumed its normal activities it is encouraging that the fuel markets show improvement and reflected positive results for OOMCO. The OOMCO group

generated sales revenue of OMR 801.7 Million in the year 2022, a rise of 43% compared to the previous year. The increase in revenue was the results of higher sales in the retail, bunker and the aviation segments. The gross margin rose to OMR 48.43 Million compared to OMR 37.74 Million for the year 2021, assisted by the increased crude oil prices during the year.

The OOMCO Group's operating profit for the year 2022 exceeded last year by OMR 3.4 Million standing at OMR 10.23 Million. The OOMCO group earning before tax increased by OMR 2.67 Million while the earnings after tax increased by OMR 2.33 Million compared to the year 2021.

Human Resources

OOMCO brand image, reputation and success are built on a foundation of personal and professional integrity. OOMCO has also become an employer of choice, offering premium employment and career development opportunities to a wide cross section of people.

OOMCO achieved an Omanisation ratio of 89% by end of 2022. This is a significant achievement as the field requires staff with specific skills to serve a wide spectrum of customers across the retail network and overall company's operations. To continue raising our performance, we dedicate our efforts on developing the capacities of our human capital across our various businesses. we provide them with opportunities to enhance further their knowledge on specialized and specific competencies in addition to a wide range of applied, technical and creative skills.

We believe in growing our employee skills through consistent training programs, therefore we have launched OOMCO Succession Planning Program to equip our employees with the right skills and competencies. The e-learning platform has also been improved to include more than 60,000 training programs that can be accessed online through mobile applications.

As a young and energetic Omani organization that prides itself on being a pioneer in the Sultanate's energy sector and a valued partner in the development of its infrastructure, OOMCO continuously seeks to bolster its existing workforce. A key factor of its long-term corporate objectives, the Company recruits the right Omani talents on the right job at the right time to become the preferred employer of choice within the fuel marketing sector.

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 celebrated the graduation of Experience HUB Batch 2022 young Omanis who completed its Experience Hub Program, the program was launched in 2022 in close cooperation with Ministry of Labor and is in line with OOMCO's Corporate Social Responsibility (CSR) strategy. The program lasts one year and is available in a variety of streams, including Health, Safety and Environment, Marketing, Sales, Business Development, Corporate Affairs as well as Shop, Food and Services.

OOMCO has launched its annual Al'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 continued its efforts to support small and medium enterprises by continuing the support provided, OOMCO has signed a Memorandum of Understanding with the Public Authority for Small and Medium Enterprises Development (Riyada) to provide 20 retail stores to support Omani startups. The agreement allows Riyada card holders to apply to rent out specially equipped retail spaces at OOMCO Ahlain stations in various locations throughout the country. OOMCO has pledged support to Oman Charitable Organization by 20% of the company's annual budget allocated to the CSR program, OOMCO supported Al

Rahma Association SAS insatiate which aiming to construct 100 houses for orphans family, OOMCO supported Cancer Association and OOMCO supported other more than 10 associations by putting their donation boxes in 50 Ahlain shops. 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 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.

Retail Network :The Retail division is a core business of the company and its continuing to grow as per the plan & in 2022 OOMCO has introduced 1 new service station in the capital, 3 new service stations under progress, & completed 2 Rebuild & Refurbish service stations, reaching to a total number of 233 service stations in Oman.

The Shop, Food and Services (SFS): is another important segment of our Retail business and growing. OOMCO is working on transforming its service stations into one-stop-shops with a diversity of products and services

International retail :In 2022, OOMCO continued its expansion internationally in retail. It managed to operate 16 service stations in KSA & 11 in Tanzania. Also, OOMCO has successfully secured a new service stations (under construction) in KSA. which will allow the Company to enter to new region in KSA.

Commercial: Commercial Fuel Business was able to maintain reasonable stability in terms of the volume 2022 and profit despite a general decline in the sector performance and an increase in the intensity of competition. Business continued to focus on enhancing delivery efficiency, alliances and offering solutions to customers through technological innovations like our “Mobile Fuel Station”.

Aviation: Aviation sector witnessed an increase in volumes against last year as more airlines are opening and/or reopening destinations. We are continuing to deliver outstanding services to our major customers like Oman Air and Salam Air and several international and local airlines.

Lubricants: Oman Oil lubricants has been the fastest growing lubricant brand in Oman: products continued to receive wide acceptance with an increased customer base across the country. Sales increase in 2022 was at high level, this was achieved by gaining more market share as well as penetrating new channels of distribution. In addition, our lubricants continued to grow in several overseas markets. It is anticipated that our brand will acquire more market shares in the coming years in Oman and overseas focusing on varied marketing activities and capitalizing on the dedicated marketing / digital campaigns.

Business Development: Following the earlier bunker license award and land lease agreement signed with Port of Duqm Company (PDC), Oman Oil Marketing Company has now constructed and fully completed and commissioned the bunker terminal at the Port of Duqm during 2021, with the first full year of operations 2022.

Marketing: With the goal of becoming the most customer-centric marketer in the GCC region, the Marketing department has always aimed to differentiate OOMCO from competitors by offering innovative services that meet our customers' needs and reach them wherever they are on their journey.

Digital: which is primarily a customer facing domain, has been evolving at an incredible pace over the past decade. Since organizations become more customer-centric, Digital assumes a more prominent role within progressive business entities. Indeed, most of our customers are now being engaged online.

OOMCO continues to innovate and developing 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.



Chairman

