

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 2023.

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 provide a safe environment for employees and customers, protecting the public, and preserving OOMCO properties and assets. This year 2023, Oman Oil Marketing has maintained a Safety record of zero Lost Time Injuries in 18 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 2023: 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 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 twelve 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 1.5 MW and contribute to reduction of 1.1 million tons of CO₂. OOMCO has also total of 23 Vapor Recovery Units at its stations to reduce the carbon emission from its operations of loading and unloading fuel.

In regards to E-Mobility , OOMCO has established a specialized JV company to provide EV charging solutions (EVO), the company has closed this year 2023 by having total of 80 Active chargers covered 39 locations in Oman including the highways. This was demonstrated by a Road drive campaign from Oman border with UAE to Salalah. OOMCO has also completed the techno-commercial for green hydrogen refueling station to support the mobility decarbonization strategy.

Financial Performance

The OOMCO Group of companies achieved another successful year of sales growth with revenue reaching OMR 819 million in 2023 as compared to OMR 802 million in 2022, an increase of 2.2%.

The OOMCO Parent company successfully continued its growth trajectory in its base jurisdiction of operations in Oman maintaining its position as the market leader while growing its revenue by 1% during 2023. This increase in revenue was mainly attributed to higher volume of fuel sales. The operating profit achieved for 2023 was OMR 13.15 million, an increase of 11% being OMR 1.3 million as compared to 2022 of OMR 11.85 million.

The Parent company continues to look at strategic initiatives and locations within Oman to optimize its return on capital employed and maximize shareholder's wealth.

In line with the 2022-2026 strategy of the Group, the international expansion continues into the Saudi Arabian market reaching the significant milestone of 30 Services stations in 2023, compared to 16 at the end of 2022. This yielded a significant growth of 164% in the revenue of the KSA

subsidiary achieving OMR 33 million as compared to OMR 12.3 million in 2022. This continuous aggressive growth has a short to medium term unfavorable impact on the bottom line of the entity due to the long term leases agreements. This impact has contributed to the loss for the year of OMR 2.3 million as compared to OMR 1.1 million in 2022. These losses are in line with the expansion strategy of the continued growth aspiration in KSA.

The other subsidiary that's part of OOMCO's international expansions strategy outside of Oman is the Sultanate Energy Company (TNZ) which is located and operating in Tanzania. The TNZ operations accomplished the significant milestone of achieving profitability during the year. The TNZ subsidiary achieved OMR 18 million growth in revenue as compared to OMR 7.4 million in 2022. This positively translated in to a profit for the year of OMR 0.14 million as compared to 0.5 OMR million loss in 2022. The TNZ operations is anticipated to continue in a positive trend into future business cycles.

Duqm Bunker Terminal subsidiary (DBT) which commenced operations during 2021 in Oman was met with turbulent market conditions during the year 2023 due to the conflict in Ukraine, which negatively impacted the bunker supply and marine business in the region. These geopolitical factors caused a substantial deterioration in the profitability of the company from Q2 which turned to a loss for the remainder of the operational year. The loss for the year was OMR 1.7 million as compared to OMR 0.05 million in 2022. The DBT subsidiary is a significant investment for the Group and is strategic in its nature due to its location as well as its alignment with the opening of OQ8, which will positively contribute to the subsidiary in 2024 and beyond.

Ahlain International LLC subsidiary operating in Oman, has gone through strategic restructuring during the year 2023, which is expected to improve the operational efficiency and profitability of the business. Two main elements of the restructuring were the divestment in the Food Franchise business of Famous Brand's Steers and Debonair (Burger and Pizza) in response to continuous financial losses incurred in the post-COVID economy. Additionally, the other strategic restructuring activity was to take full control of Ahlain convenience stores and to give it a new facelift, hence the focused investment in this line of business. Through consolidation of the network, economies of scale are expected where optimization of costs will be achieved. These changes are expected to reflect positively in the coming business cycles, but has impacted the

bottom line during the year 2023 which resulted in a loss of OMR 1.4 million as compared to OMR 0.8 million in the year 2022.

Although the OOMCO Parent company has achieved increased revenues and operating profit for the year 2023 as compared to 2022, the consolidation of the performance of these subsidiaries into the group performance has negatively impacted the profit, which reduced by OMR 2.8 Million bringing the profit after tax of the Group to OMR 4.1 million when compared to OMR 6.9 Million in 2022. Although these investments into subsidiaries are impacting the group's profitability in 2023, they are expected to maximize shareholders return in the long term.

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 90% by end of 2023. 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

In 2023, OOMCO has contributed to many CSR initiatives that addressed different categories and sectors of the communities with an aim of long term benefits and wider span of beneficiaries. OOMCO has pledged support to more than 10 association 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. 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 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 aimed to build the capacity of Omani youth-led freelancer startups. It also enables participants to further develop innovative thinking and other relevant skills to run a business successfully. In addition, OOMCO supported the health promoting schools' initiative

by providing the winning schools with smart digital screens in collaboration with the Ministry of Education and the World Health Organization.

OOMCO has committed to supporting Oman Charitable Organization with 33% of the company's annual budget designated for the CSR program. The company continues to keep looking for ways to contribute to society while providing back ongoing benefit to 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 2023 OOMCO has introduced 1 new service station in the capital, 3 new service stations under progress, & completed 3 Rebuild & Refurbish service stations, reaching to a total number of 235 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 2023, OOMCO continued its expansion internationally in retail. It managed to operate 30 service stations in KSA & 12 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 2023 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.

Aviation. Aviation sector witnessed *a slight* increase in volumes compared to last year. We are continuing to deliver outstanding services to our major customers like Oman Air and Salam Air and several international and local airlines.

Lubricants. In 2023, Oman Oil Lubricants local showcased steady growth across distribution channels, prioritizing quality and expanding its presence in the premium market. The brand experienced consistent expansion in PCMO and CVO segments. Despite challenges in overseas markets due to geopolitical issues and currency devaluation, we anticipate a rise in market share in the coming years. Our strategic approach includes entering new growth markets, utilizing diverse marketing activities, and leveraging dedicated marketing and digital campaigns for sustained growth both in Oman and internationally.

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