Chairman's Report

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the unaudited Financial Statements for the I Quarter ended 31 March 2021.

FINANCIAL PERFORMANCE (RO'000)

	Jan-Mar 2021	Jan-Mar 2020	Inc /(dec)	Inc/(dec) %
Sales	**81,703**	100,427	(18,724)	(19%)
Cost of Sales	**(76,625)**	(95,466)	(18,841)	(20%)
Gross profit	**5,078**	4,961	117	2%
Other income	**1,325**	1,486	(161)	(11%)
Total expenses including tax	**(5,982)**	(6,308)	(326)	(5%)
Net profit	**421**	139	282	203%
Earnings per share (RO)	**0.006**	0.002	0.004	203%
Book value per share (RO)	**0.605**	0.589	0.017	3%
Retained earnings	**30,453**	29,309	1,144	4%
Total equity (RO'000)	**41,757**	40,613	1,144	3%

Total sales during the period dropped by about 19% from RO 100.4 million during I Qtr 2020 to RO 81.7 million in the I Qtr 2021), a decrease by RO 18.7 million mainly attributed to the decrease in sales volume as a result of the continuing impact of the Covid-19 pandemic on commercial activities.

MARKETING PERFORMANCE

Retail segment continues to be the chief revenue organ of the Company as we focus on developing new sites at commercial sensitive locations and added focus on NFR activities.

During the period, one new retail outlet has been opened to the public, bringing the total number of filling stations to 236, including the Company operated commercial stations open to the public.

The restricted closure of commercial activities has resulted in operational challenges and a decrease in demand.

Commercial segment too is impacted by the pandemic as businesses continue to experience sluggish demand and cash-flow constraints.

The **aviation industry** has suffered most during the COVID-19 pandemic and continued restrictions on international travel has hit the demand to the worst levels.

Chairman's Report (continued)

Annual General Meeting / Dividend

In the Annual General Meeting of the Company held on March 17, 2021 the shareholders did not approve any dividend payments because of the challenging situations.

Future Outlook

The unexpected resurgence of the Covid-19 pandemic is a serious concern and poses serious challenges threatening the growth of many industries. However, the vaccination drive that is being undertaken nationwide is expected to contain the spread of the pandemic and bring the hope of normalcy during the next year.

Acknowledgment

On behalf of the Board of Directors and executive management, I take this opportunity to express our most sincere gratitude and loyalty to **His Majesty Sultan Haitham bin Tariq** and his efforts in continuing the legacy of His Majesty Sultan Qaboos towards a prosperous Oman.

We thank our shareholders, customers, the officials of Capital Market Authority and Muscat Securities Market for their valuable support and co-operation. We also appreciate the dedicated and committed service of our staff members.

Dr. Juma Ali Juma Al-Juma
Chairman
28 April 2021