Chairman's Report

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the unaudited Financial Statements for the nine months ended 30 Sep 2020.

FINANCIAL PERFORMANCE (RO'000)

	Jan-Sep 2020	Jan-Sep 2019	Inc /(dec)	Inc/(dec) %
Sales	**254,529**	352,582	(98,053)	(28%)
Gross profit	**16,387**	21,855	(5,468)	(25%)
Other income	**1,958**	1,289	669	52%
Total expenses	**(18,017)**	(20,115)	(2,098)	(10%)
Net profit after tax	**328**	3,029	(2,701)	(89%)

Earnings per share (RO)	**0.0048**	0.0439	(0.0391)	(89%)
Book value per share (RO)	**0.591**	0.651	(0.060)	(9%)
Net equity (RO'000)	**40,801**	44,924	(4,123)	(9%)

The economy recovered slightly in the third quarter, after Covid-19 containment measures and easing of restrictions, despite continuance of restrictions on air travel.

Total sales during the period dropped by about RO 98 million i.e. about 28 % from RO 352.5 million during Jan-Sep 2019 to RO 254.5 million in Jan-Sep 2020 mainly due to the drop in sales in retail & aviation sector.

Profitability improved during the III Qtr 2020 compared to the I Qtr & II Qtr 2020 and the net profit achieved amounts to RO 328 k for the period Jan-Sep 2020.

MARKETING PERFORMANCE

Retail segment continues to be our main focus as we strengthen our approach to modernize our existing retail infrastructure and at the same look forward to increase our retail network throughout Sultanate of Oman by developing new sites.

Commercial segment, despite stiff competition & challenging environment, continues to show positive growth due to the increase in supplies to energy sector.

Aviation segment performance is badly affected with the limited activity in the Muscat International airport for almost 6 months now. However, the expected resumption of Oman Air and other major airlines operations soon would certainly improve the performance in the next quarter.

Chairman's Report (continued)

Market share

Based on the information published in the financial results of the other petroleum products marketing companies, your Company's market share at the end of III quarter 2020 stood at 29%.

Future Outlook

With the Government doing its best to contain the effect of the pandemic, we are optimistic about the future prospects as business activities are coming back to normal, despite continuance of limited restrictions in limited economic activities.

ACKNOWLEDGEMENT

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.

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Juma Ali Al Juma Al-Juma
Chairman
29 October 2020