

Directors' Report

Dear Shareholders,

On behalf of your Board of Directors, please find hereunder the Un-audited results of Oman Oil Marketing Company SAOG for the period ended 31 March 2020.

	Group		
	OMR'000 YTD March 2020	OMR'000 YTD March 2019	Variance (%)
Revenue	131,617,651	141,390,331	(6.9%)
Profit after tax	601,624	1,129,622	(47%)
Earnings per share (Bz)	9.3	18	(48%)
Net Assets per share	1.136	1.117	2%

Financial Performance

Operations in the first quarter of 2020 remained challenging with a net profit reduction by 47% compared to the same period last year. The total turnover of OMR 132 Million was 6.9% below the sales turnover of OMR 141 million as of 31 March 2019.

The drop in the turnover comes from a volume decrease in the whole fuel market, a result of the impact of Covid-19 and drop in fuel price in Aviation and Retail.

HSEQ-Technical & Sustainable Development

OOMCO has successfully completed the first quarter with an excellent HSEQ record in industry of Zero Lost Time Injury and less than 0.3 as Total Recordable Injury Rate. Furthermore, the company activated its business continuity plan to manage the crisis of Covid-19 and has taken many measures to ensure the safety of employees, contractors and customers as well.

Business Development

Continuing to deliver cutting-edge technology and innovative services, OOMCO has launched its new smart mobile app. Fully integrated with its network of service stations and stores, the OOMCO World app is easy to log into and use, enabling a number of tasks such as online top-up, management of Basma Plus cards, viewing and redeeming loyalty points, unlocking badges, locating service stations and much more.

In line with the Sultanate's drive to support clean energy, Oman Oil Marketing Company launched the first green service station in the Sultanate. This innovative facility in Rusayl in Governorate of Muscat, comprises of a complete range of unique eco-friendly features including solar panels, LED lights, Vapor Recovery System (VRS), an electric vehicle (EV) charger and biodegradable bags.

As part of its efforts to broaden its services and serve the Sultanate's expanding fuel needs, your Company has entered into a long-term fuel supply agreement with the Port of Duqm. Through this partnership OOMCO will supply the port, where it is the sole licensed fuel marketer, with a high capacity Mobile Fuel Station.

Human Resources

OOMCO Omanization rate has been maintained at 84%, one of the highest in the market. Based on the results of the employee engagement survey, an action plan has been designed. The action plan will be executed in 2020 and 2021. Furthermore, and as a response to Covid-19, OOMCO has implemented a "Work from Home" plan to ensure minimal attendance in office.

Corporate Social Responsibility

As part of the company commitment to support the country in the current situation, OOMCO donated OMR 100,000 to the Ministry of Health to combat coronavirus. Furthermore, the company has supported Al Rahma Association for Motherhood and Childhood in their initiative to help orphans through affording them cloths for both Eid Al Adha and Al Fiter as well as school materials.

Outlook

Taking in account the current situation and the drop in oil prices, Oman Oil Marketing continues to be innovative and undertakes changes and 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.

The Board and the Management are fully dedicated and committed for the challenges in 2020 and are confident that the Company will continue to deliver value to all our 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.

On behalf of the Board of Directors

Board Chairman