CHAIRMAN'S STATEMENT | H1 2025

Renaissance

#29YearsOnMSX

On behalf of the Board of Directors, I present the unaudited financial statements for Renaissance Services SAOG for the six-month period ended June 30, 2025.

Across our core segments, the first half of the year was shaped by both opportunity and challenge. H1 results reflected the realities of an uneven and difficult operating environment with improved performance in contract services offset by temporary impacts on our accommodation businesses, particularly in the first quarter.

RS Consolidated

	RO mn		USD mn	
	H1 2025	H1 2024	H1 2025	H1 2024
Revenue	**55.27**	52.10	**143.56**	135.32
EBITDA	**8.85**	11.56	**22.97**	30.03
Operating profit	**4.32**	7.21	**11.23**	18.73
Net profit after tax	**2.10**	4.10	**5.44**	10.65
Net profit after non-controlling interest	**2.87**	5.02	**7.45**	13.04

Financial Performance

Revenue grew by 6% year-on-year to RO 55.27mn, driven primarily by the successful mobilisation of a large soft services contract now operating smoothly across multiple sites. This demonstrates the resilience and scalability of our asset-light facility management (FM) businesses, which continue to deliver consistent organic growth and help offset the cyclical fluctuations in the accommodation segment. This segment, however, provides significant upside potential without additional investment.

Net profit after tax (PAT) was down to RO 2.1mn (compared to RO 4.1mn in H1 2024) and PATMI to RO 2.87mn from RO 5.02mn in the previous year. The main factor behind the profit contraction was lower-than-expected occupancy at our accommodation facilities during the first quarter both at Renaissance Village Duqm (RSVD) and the Permanent Accommodation for Contractors (PACs). Rising costs in areas such as labour and food have continued to weigh on margins in the transition periods between project awards and workforce mobilisation. While these challenges continued into Q2, there were early signs of recovery as occupancy levels began to improve and operating margins stabilised.

Even in a demanding first half, the underlying strength of our operations and financial discipline has kept the business on a steady footing. Cash flows are healthy, overheads remain well-controlled and receivables performance has been strong. The company retains a disciplined approach to capital expenditure and a conservative balance sheet, providing the flexibility to invest in future growth while managing short-term volatility.

Operational Focus

Delays in client mobilisation schedules during Q1, particularly at RSVD, led to a temporary dip in occupancy. These have begun to correct, and the second quarter brought stronger occupancy levels in the PACs and clearer visibility for the second half. We remain actively engaged with clients to ensure alignment with agreed projections.

At the PACs, the upward momentum in Q2 occupancy is expected to carry forward. While navigating these conditions, we are maintaining strict cost discipline and continuing to invest in site-level initiatives that align with our strategic priorities. These insights will ensure we deliver results that matter by targeting high-impact projects, using resources more effectively and removing barriers to execution.

Our UAE operation, which turned profitable in 2024, remains stable and well-positioned to contribute positively to full-year results.

We are also pleased to confirm that the company continues to meet the minimum Omanisation requirements set by the Tender Board, reinforcing our position as a compliant and competitive partner in government tenders.

Growth Strategy

Several large bids are in advanced stages of evaluation and, if awarded, would support growth and improve asset utilisation. As we await decisions on major tenders, the broader strategy remains consistent: focus on profitable growth, operational discipline, and strategic diversification.

We continue to build out our integrated facilities management (IFM) platform, with a view to offering comprehensive, client-focused solutions that go beyond price-based competition. Demand for bundled soft and hard FM services is rising, and we are positioning ourselves to capture a larger share of this market.

The search for acquisition opportunities continues in Oman and across the GCC, especially in the UAE and Saudi Arabia. We are evaluating several targets where the combination of service fit, earnings potential and cultural alignment could provide meaningful scale and capability enhancement. Synergies with our existing business will be central to any potential transaction, whether through operating leverage, access to high-growth sectors or expanded service offerings.

We see a clear opportunity to create value by combining strong local execution with scalable platforms in adjacent markets. Renaissance's balance sheet remains under-leveraged and structurally sound, giving us the headroom to act decisively should the right opportunity arise.

ESG

At Renaissance, we take environmental stewardship seriously. These efforts are not only about reducing our carbon footprint but also about strengthening the long-term sustainability of the business for our shareholders and reinforcing our commitment to Oman's Net Zero goals.

A pilot project at one of our oil & gas sites demonstrated that potable water usage can be reduced by over 15 percent by using treated irrigation water for selected non-potable purposes. At a major staff accommodation site in the capital area, we have connected directly to the municipal sewage network, eliminating the need for tanker services and cutting 73,500 km of travel and 50 tonnes of carbon emissions each year.

As part of its digitalisation efforts, the company piloted a patient diet app that streamlines menu planning and production. With a potential to reduce paper use by over 90%, it supports both operational efficiency and our broader sustainability objectives.

The rollout of an AI-powered food waste management system across our sites continues to reinforce a culture of awareness and accountability. With AI-enabled tracking and smart analytics, our culinary teams receive regular reports that support immediate action and targeted waste reduction. This data-driven approach empowers frontline teams to make informed decisions aligned with our sustainability goals.

People and Organisation

This year marks a significant leadership transition at Renaissance. After a distinguished career spanning 37 years with the company, Stephen R Thomas stepped down as CEO on June 30. His leadership has shaped our culture of safety, quality and sustainability, and has earned the company its strong reputation across sectors and geographies. In recognition of his exceptional service, the Board has awarded him the honorific title of CEO Emeritus, allowing us to retain Stephen's experience and insight in an ambassadorial capacity, and separately as an advisor.

We are pleased to welcome Andrew Dawson as CEO, effective July 1, 2025. Andrew brings extensive international experience in the IFM industry, having held senior leadership roles across Asia-Pacific with global majors including Sodexo and CBRE. He has successfully led high-growth businesses, driven operational excellence and built strong, client-focused teams in some of the world's most dynamic and diverse markets. The Board is confident that under Andrew's leadership, Renaissance will build on its strong foundations to embrace new opportunities, deepen its capabilities and chart the next chapter of growth with clarity and ambition.

Succession planning and internal talent development are gaining further structure. Renaissance has launched a High Potential (HiPo) programme to nurture 35 employees who have been identified for their performance and leadership potential. Organised into eight cross-functional teams, these individuals will be mentored by senior managers within the company and tasked with developing actionable ideas to enhance business efficiency and drive innovation across Renaissance's operations.

Looking Ahead

Oman continues to benefit from its medium-term fiscal plan, with debt-to-GDP falling from over 60% in 2020 to below 40% in 2024. Sovereign credit ratings have been upgraded with both S&P (BBB-) and Moody's (Baa3) endorsing a stable outlook. Oil price has stabilised above Oman's 2025 budget break-even point of USD 60, though overall outlook on oil price remains exposed to geopolitical tensions.

The sultanate continues to promote Duqm as a logistics and industrial hub while seeking FDI in renewable hydrogen and petrochemical projects. The IMF forecasts GDP growth for Oman at around 2.5-3% in 2025, while GCC-wide growth is projected between 3-4% driven by non-oil sectors in KSA and the UAE.

Renaissance is pursuing significant growth opportunities in IFM, waste management and utility services in its home market of Oman, while seeking to leverage its strong balance sheet to accelerate larger market presence in other major economies of the GCC. Regionally KSA and UAE have been early adopters of a holistic approach to IFM, which is aligned with our readiness to capitalise on cross-border opportunities.

The range of current growth initiatives in play and the diversity of service capabilities mean the growth prospects for Renaissance in both the short and medium term are positive and promising, in markets where the economic outlook is assured and dynamic.

Acknowledgement

On behalf of the Board, I would like to express our deep gratitude to His Majesty Sultan Haitham bin Tarik for his leadership and vision, and to all our employees, clients and shareholders for their continued trust and support.

Samir J. Fancy
Chairman

UNAUDITED FINANCIAL RESULTS CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30TH JUNE 2025

	H1 2025 RO '000	H1 2024 RO '000
Non-current assets		
Property, plant and equipment	**128,617**	135,631
Intangible assets	**1,918**	1,925
Investments	**4,816**	6,204
Deferred tax asset	**846**	596
	136,197	144,356
Current assets	**70,151**	63,387
Current liabilities	**54,908**	45,281
Non- current liabilities		
Term loans excluding current maturities	**39,684**	50,373
Deferred tax liability	**5**	435
Other non current payables	**10,235**	10,785
	49,924	61,593
Net assets	**101,516**	100,869
Equity		
Share capital	**23,641**	23,641
Treasury shares held by subsidiary	**(6,772)**	(6,853)
Treasury shares held by liquidity provider	**(186)**	-
Share premium	**26,936**	26,936
Legal reserve	**9,145**	9,139
Other reserves	**919**	362
Retained earnings	**29,601**	27,732
	83,284	80,957
Non controlling interest	**18,232**	19,912
Total equity	**101,516**	100,869

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED 30TH JUNE 2025

	H1 2025 RO '000	H1 2024 RO '000
Revenue	**55,275**	52,099
Operating expenses	**(50,950)**	(44,891)
Profit from operations	**4,325**	7,208
Net finance costs	**(1,760)**	(2,060)
Profit before tax	**2,565**	5,148
Tax	**(467)**	(1,046)
Profit for the period	**2,098**	4,102
Net profit attributable to:		
Shareholders of the Parent Company	**2,872**	5,018
Non-controlling interest	**(774)**	(916)
	2,098	4,102

Notes
1) The complete accounts will be sent by mail to shareholders within 7 days of receipt of request.
2) The complete set of financial results can be accessed at www.renaissanceservices.com