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Chairman's Statement | H1 2026

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, 2026.

This year has been marked by an unusually disruptive regional environment which affected business activity across several of the sectors we serve. While these conditions remain challenging, they are external in origin and have not altered the underlying fundamentals of our business or the long-term demand for our services.

Throughout this period, Renaissance remained focused on those areas within our control, maintaining strict cost discipline while actively working on supply chain resilience and mitigating inflationary pressures. We moved ahead with key strategic initiatives including sustainability, digitalisation and the responsible adoption of AI. These priorities position the company well to benefit when operating conditions improve.

Financial Performance

RS Consolidated

	RO mn		USD mn	
	6-month period ended		6-month period ended	
	June 2026	June 2025	June 2026	June 2025
Revenue	**52.89**	55.27	**137.38**	143.56
EBITDA	**6.33**	8.85	**16.44**	22.97
Operating profit	**1.92**	4.32	**4.99**	11.23
Net profit after tax	**0.36**	2.10	**0.94**	5.44
Net profit after non-controlling interest	**1.36**	2.87	**3.53**	7.45

The first half of 2026 reflected the impact of a challenging operating environment on both revenue and profitability, driven primarily by geopolitical factors. Revenue declined by 4.3% to RO 52.89mn, primarily reflecting lower utilisation across our Accommodation Solutions portfolio. The impact on performance at the operating and net levels was driven principally by lower occupancy and rising input costs, which could not be recovered within fixed-price contracts in the near term.

Cost pressures were most pronounced in logistics and key operating inputs, particularly food products, which weighed on gross margins. While disciplined pricing and operational efficiencies helped offset part of this impact, the local operating environment remains cost-sensitive, limiting the extent to which rising input costs can be reflected in pricing. This dynamic is amplified by the nature of our client relationships, which are mainly long-term contracts with large entities. The governance structures within these agreements often do not provide for the pass-through of unforeseen cost increases unless explicitly defined at the outset.

Despite these headwinds, Renaissance secured new and retained business valued at RO 12.4mn during the first half of the year. The company continues to maintain a conservative balance sheet and disciplined capital allocation, preserving financial flexibility while continuing to invest selectively in future growth opportunities.

Performance Review

Occupancy across our Accommodation Solutions portfolio was affected by the disruptions of March and by a pause in new energy-sector project awards, which weighed on utilisation across the Permanent Accommodation for Contractors (PACs). Oil and gas occupancy has recently begun to improve from its position in early Q2.

At Renaissance Village Duqm (RSVD), occupancy remains muted in the absence of major project groundbreaking before 2027. RSVD continues to operate at a reduced cost base consistent with current occupancy and will continue to track the pace of investment activity in the Special Economic Zone.

Our focus on strengthening our Hard FM capabilities continues to yield results, with the award of two new contracts by the Ministry of Health. At the same time, we are actively evaluating greenfield FM opportunities across the wider GCC region.

Initiatives to enhance productivity and operational efficiency resulted in a net YoY reduction in total employee headcount whilst mobilising a number of new contracts. However, as part of our commitment to developing national talent, we grew our Omani headcount by more than 10% in the first half of the year, welcoming over 250 nationals into roles from site level through to senior positions. Meanwhile, our in-country procurement stood at over 92% of total procurement spend for the first half of the year.

Operational Excellence and Sustainability

New initiatives in the first half of the year focused on optimisation of human resources and process enhancements, both of which have begun yielding tangible results. Building on this, we are appointing Operational Excellence champions at major sites to act as a technical bridge between corporate strategy and site-level execution.

These initiatives reinforce the new Target Operating Model launched earlier on January 1, 2026. By having clearly defined Business Units, we have brought accountability and decision-making closer to the customer, enabling faster responses and greater consistency in the quality of our services.

Improving resource efficiency remains a strategic priority for Renaissance, particularly in a region where energy and water are among the most valuable natural resources. During the first half of the year, we continued to invest in initiatives that reduce energy consumption, improve water efficiency and strengthen the long-term sustainability of our operations. Together, these investments optimise energy efficiency and costs, while reinforcing our contribution to Oman's Net Zero ambitions.

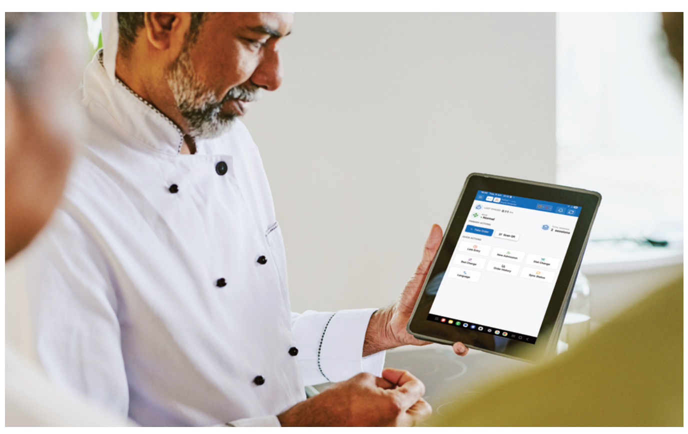
M&A

Following the successful completion of the Socat acquisition in Q1, integration activities are well underway. Our main priorities include integration of IT systems and procurement as well as alignment on governance and harmonisation of HR systems and policies.

We have also established a clear commercial framework defining how Renaissance and Socat will operate as one coordinated group. The entities will collaborate around jointly developed client propositions, with each focused where it is strongest. We expect this integrated approach to open new market opportunities, strengthen our competitive positioning across key growth sectors and deliver measurable value to clients and shareholders alike in the periods ahead.

At the same time, Renaissance continues to evaluate further acquisition opportunities across our core sectors, including facilities management, accommodation services and waste management.

Digitalisation and AI



The adoption of technology to enhance efficiency, service quality and cost control is another important pillar of our operating model. During the first half, we replaced third-party software with products developed in-house, including a proprietary patient-diet system now being scaled across a leading tertiary hospital, and a digitised overtime workflow that embeds governance controls at site level.

We are continuing to invest in digital capabilities and automation to simplify processes across the business, improve efficiency and enhance quality of service provided to our clients. Within HR, these initiatives are expanding self-service capabilities and improving the employee experience. By reducing repetitive and monotonous tasks, this also supports the development and retention of talent within the organisation.

Alongside this, continued progress on real-time, data-led measurement of energy, water and food waste is enabling our frontline teams to act on accurate information.

Artificial Intelligence (AI) is rapidly evolving from an emerging technology into a business necessity. Renaissance is committed to adopting AI across our operations, and to doing so responsibly. Accordingly, we are strengthening governance and training our employees to use these tools well while ensuring appropriate oversight so that our productivity, decision-making and service are enhanced without compromising trust and security.

Outlook

The external environment remains fluid. Ongoing disruption to supply chains has increased procurement costs and reduced visibility over the timing of new project activities. While these conditions influence performance at present and the path to normalisation remains difficult to predict, we remain optimistic.

Against this backdrop, our priorities remain clear. We will continue to focus on agile procurement, prudent capital allocation, operational efficiencies, and on maintaining the financial flexibility necessary to respond to ever-changing market conditions. These are areas within our control and they will continue to guide our decisions while external uncertainty persists.

Oman remains a beacon of stability, and we are encouraged by the government's continued commitment to national development. With more than four decades of experience, Renaissance has successfully navigated many economic and market cycles. While near-term conditions remain uncertain, we remain confident in the resilience of our operating platform, the strength of our client relationships and our ability to create long-term value for shareholders.

Tribute

We extend our heartfelt gratitude and loyalty to His Majesty Sultan Haitham bin Tarik for his visionary leadership and steadfast commitment to the progress of the Sultanate. His guidance continues to inspire us to contribute to the nation's prosperity through diversification, strengthened In-Country Value and the delivery of high-quality, sustainable services.

On behalf of the Board, I also extend my sincere appreciation to all our employees, clients, shareholders and partners for their ongoing trust and support as we continue on this important journey.

Samir J. Fancy
Chairman

UNAUDITED FINANCIAL RESULTS CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2026

	As at Jun 2026	As at Jun 2025
	RO '000	RO '000
Non-current assets		
Property, plant and equipment	**121,962**	128,617
Intangible assets	**2,667**	1,918
Investments	**6,577**	4,816
Deferred tax asset	**1,089**	846
	132,295	136,197
Current assets	**70,621**	70,151
Current liabilities	**56,621**	54,908
Non- current liabilities		
Term loans excluding current maturities	**35,534**	39,684
Deferred tax liability	**-**	5
Other non current payables	**11,148**	10,235
	46,682	49,924
Net assets	**99,613**	101,516
Equity		
Share capital	**23,641**	23,641
Treasury shares held by subsidiary	**(6,772)**	(6,772)
Treasury shares held by liquidity provider	**(257)**	(186)
Share premium	**26,936**	26,936
Legal reserve	**9,145**	9,145
Other reserves	**2,394**	919
Retained earnings	**28,211**	29,601
Equity attributable to the owners of the parent company	**83,298**	83,284
Non controlling interest	**16,315**	18,232
Total equity	**99,613**	101,516

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE SIX MONTHS ENDED JUNE 30, 2026

	6-month period ended	
	Jun 2026	Jun 2025
	RO '000	RO '000
Revenue	**52,890**	55,275
Operating expenses	**(50,971)**	(50,950)
Profit from operations	**1,919**	4,325
Net finance costs	**(1,379)**	(1,760)
Profit before tax	**540**	2,565
Tax	**(184)**	(467)
Profit for the period	**356**	2,098
Net loss attributable to non-controlling interests	**(1,002)**	(774)
Net profit attributable to the Shareholders of the Parent Company	**1,358**	2,872

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

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