

Chairman’s Statement – Q1 2026

On behalf of the Board of Directors, I present the unaudited financial statements for Renaissance Services SAOG for the three-month period ended March 31, 2026.

The first quarter of 2026 delivered a disappointing financial result for the business. Performance was impacted by timing-related factors in the accommodation portfolio and other one-off events, alongside a disruptive regional operating environment during the quarter. While the results are below the levels achieved in the corresponding period last year, they are best viewed in the context of these short-term dislocations rather than any structural change in the underlying business.

Renaissance operates from a position of financial discipline and operational depth. Its core contract services span essential sectors delivering stable performance during the quarter. Collections remain strong, and management has taken decisive steps to address any execution gaps, further sharpen cost control and strengthen accountability across operations as we embed the new target operating model.

Financial Performance

RS Consolidated

	RO mn		USD mn	
	3-month period ended		3-month period ended	
	Mar 2026	Mar 2025	Mar 2026	Mar 2025
Revenue	24.86	27.09	64.57	70.36
EBITDA	3.04	4.35	7.90	11.30
Operating profit	0.88	2.11	2.29	5.48
Net profit after tax	0.12	1.11	0.31	2.88
Net profit after non-controlling interest	0.62	1.46	1.61	3.79

The quarter saw a decline in both revenue and profitability compared to the corresponding period last year, reflecting lower utilisation in parts of the accommodation portfolio and reduced activity levels across selected contracts. Revenue for Q1 2026 dipped by 8% to RO 24.86mn compared to RO 27.09mn in Q1 2025, while net profit attributable to shareholders declined to RO 0.62mn from RO 1.46mn.

The Accommodation Solutions segment was the primary driver of the variance. Occupancy across both the oilfields accommodation portfolio and Renaissance Village Duqm fell below expected levels during the quarter. In the oilfields, unexpected timing mismatches resulted in lower occupancies, and the client is providing active support to address the situation in the coming months.

Occupancy at RSVD remained a challenge compounded by a disruptive environment and the usage of non-compliant facilities by contractors. The authorities have taken a very serious view on the matter in support of their own worker welfare standards.

Management has initiated more structured engagement with key clients and stakeholders, with a clear focus on improving alignment between projected and actual demand, strengthening utilisation and enhancing visibility on forward occupancy.

In parallel, our utilities business experienced temporary disruption due to delays in the delivery of electricity meters by the client, which impacted installation activity and revenue, while other contracts were affected by broader operating conditions. This led to lower activity levels during the quarter, affecting revenue conversion and overall cost efficiency.

Although these factors affected the quarter’s outcome, they are largely timing-related and are being actively addressed. The focus is on restoring utilisation, improving execution discipline and ensuring that activity levels across the business are more closely aligned with available capacity in the coming quarters.

Operational Review

Performance across core contract services remained stable in Q1, with service delivery maintained in line with contractual standards across oil & gas, healthcare, defence, education and other essential services contracts. These businesses provide a consistent operating base and reinforce the resilience of the company’s integrated facilities management (IFM) platform.

The company secured new and retained business amounting to RO 10.5mn, including further progress in Hard FM, strengthening its position in higher-value IFM offerings. The order book and pipeline are healthy, with several large opportunities at advanced stages of evaluation, providing visibility for the periods ahead.

Cost discipline remains a key area of focus. The company is optimising its cost base and enhancing productivity across both site and support functions. Resources are being aligned with current activity levels to support consistent service delivery and long-term operational efficiency.

The company’s receivables and collections performance remained well controlled, with strong cash conversion supported by timely collection of receivables and disciplined working capital management.

Strategic Progress

A key Q1 milestone was the completion of the Socat acquisition on March 31, 2026. This transaction represents an important step in Renaissance’s inorganic growth strategy and strengthens the company’s capabilities across catering and IFM in Oman. As we move into the next phase, the approach to integration will prioritise preserving the strengths of the acquired business while enhancing value across the combined platform.

Renaissance is actively evaluating targeted acquisition opportunities aligned with its core strengths across all aspects of facilities management, accommodation, waste management and related services. The Board remains selective in its approach, prioritising opportunities that strengthen earnings, deepen capability and support sustainable long-term growth.

The Target Operating Model endorsed in 2025 has moved from design into implementation. This is a necessary organisational shift, placing greater accountability closer to clients and contracts while maintaining central oversight of strategy, risk, governance and technology. This phase is reinforcing execution discipline across the business, with clearer accountability and a stronger emphasis on embedding operational excellence across sites.

Operational efficiency and Sustainability

Cybersecurity resilience was further strengthened in Q1 through proactive monitoring and preventive measures. Since focused improvement efforts began in January 2025, the company’s information security benchmark has shown steady progress for the fifth consecutive quarter.

The company continues to explore the application of AI where it can directly enhance safety, service quality and cost efficiency. Further progress was made on machine-learning-based room occupancy monitoring, which is now supporting more efficient HVAC energy management through improved real-time occupancy insights.

Renaissance commenced a pilot using real-time video analytics at its central kitchen facility to identify potential hazards and hygiene-related non-compliances, supporting a more proactive approach to health and safety. The initiative enables faster issue identification and corrective action, with a planned rollout to PACs (Permanent Accommodation for Contractors) in the oilfields in the second quarter.

Initiatives to improve energy and resource use progressed during the quarter, with an increasing emphasis on data-led tools to reduce waste and support more efficient operations. This reflects a long-standing commitment to responsible and sustainable operations, underpinned by strengthened governance and Board-level oversight of ESG.

The company published its 2025 Sustainability Report in the first quarter, marking its 15th edition. Prepared in line with GRI Standards, it is fully compliant with all mandatory ESG disclosure requirements of MSX (Muscat Stock Exchange), reflecting a long-standing commitment to transparent disclosure.

Outlook

The current operating environment remains competitive and cost-conscious, with continued variability in project mobilisation timelines across certain sectors. Tendering cycles also remain extended in parts of the market. At the same time, Oman’s long-term energy, healthcare and industrial development priorities support underlying demand for IFM and accommodation solutions. These include new urban mixed-use developments, logistics, continued expansion of healthcare infrastructure and ongoing project activity within established economic zones such as Duqm.

As Oman accelerates its Vision 2040 priorities, performance-based PPPs (Public-private partnerships) present a clear opportunity for FM providers to evolve into long-term strategic partners. Renaissance is well positioned in this regard with over three decades of experience in long-term contracts structured around a life-cycle approach, where responsibility extends to asset performance, upkeep and renewal. This reinforces our ability to manage the total cost of ownership while supporting improved earnings visibility and strengthening our role in the delivery of critical national infrastructure.

Recent data published by the Government of Oman indicates a gradual increase in consumer prices across key categories, including food and essential goods. These trends are expected to influence operating costs across the sector, and the company remains focused on managing these pressures through disciplined procurement, cost control and operational efficiency.

Renaissance enters the remainder of the year with clear priorities around utilisation, execution and cost control supported by a resilient core business. The company remains financially disciplined, operationally experienced and strategically well-positioned in sectors that are essential to Oman's development.

Tribute

Renaissance extends its gratitude to His Majesty Sultan Haitham bin Tarik and the people of Oman. We remain committed to supporting national development by strengthening In-Country Value and delivering safe, reliable and sustainable services across the Sultanate.

On behalf of the Board, I also thank our employees, clients, shareholders and partners for their continued trust and support.