

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

	9 months ended 30th September 2023	9 months ended 30th September 2022
	Amount Rial '000	Amount Rial '000
Total assets	211,997	216,129
Total liabilities	113,378	122,467
Net assets (excluding Minority Interest)	78,087	71,255
Net assets per share (Rial)	0.366	0.334
Current ratio	1.4	1.5

	9 months ended 30th September 2023	9 months ended 30th September 2022
	Amount Rial '000	Amount Rial '000
Gross profit	14,703	17,279
Gross profit margin %	19%	20%
Net profit after tax	7,752	10,021
Net profit after minority interest	8,181	8,478
Earnings per share (Rial)	0.038	0.040

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

**Unaudited consolidated balance sheet as at
30th September 2023**

	Notes	9 months ended 30th September 2023 Amount Rial '000	9 months ended 30th September 2022 Amount Rial '000
Non current assets			
Property, plant and equipments & right of use assets		138,325	139,397
Intangible assets		1,926	1,935
Investments - FVTOCI	5,6,7	6,490	5,578
		146,741	146,910
Current assets			
Inventories	1	4,167	5,890
Trade receivables & Prepayments	2&9	47,104	45,916
Receivables from related parties	8a	374	504
Investments - FVTPL	5,6,7&9	3,415	3,750
Bank and cash		10,196	13,159
Current assets		65,256	69,219
Total assets		211,997	216,129
Current liabilities			
Trade creditors & other payables		37,871	39,836
Payable to related parties	8a	84	578
Bank overdrafts and short term loans	4	700	3,234
Term loans - current portion	4	8,999	1,687
Current liabilities		47,654	45,335
Long term liabilities			
Term loans	4	55,226	66,562
Lease liabilities, non current payables & advances		5,818	5,738
Staff terminal benefits		4,680	4,832
		65,724	77,132
Total Liabilities		113,378	122,467
Net assets	TOTAL -A	98,619	93,662
Capital and reserves			
Share capital		23,641	23,641
Treasury shares	6	(6,853)	(6,853)
Share premium		26,936	26,936
Legal reserve		9,012	8,801
Other reserves		484	462
Retained earnings		16,686	9,790
Profit for the period		8,181	8,478
		78,087	71,255
Minority interest		20,532	22,407
	TOTAL-B	98,619	93,662

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

Unaudited consolidated income statement
For the nine months ended
30th September 2023

	9 months ended 30th September 2023	9 months ended 30th September 2022
	Amount Rial '000	Amount Rial '000
Turnover	77,305	88,339
Gross profit	14,703	17,279
Administration & general expenses	(4,546)	(4,760)
Operating profit	10,157	12,519
Investment and other income	588	711
Finance charges	(2,964)	(3,366)
Profit before tax	7,781	9,864
Tax	(29)	157
Profit for the period	7,752	10,021
Minority interest (Note 5)	429	(1,543)
Net profit attributable to Ordinary Shareholders	8,181	8,478
Dividend per share (Rial)	0.020	0.020
Net profit margin (%)	10.0%	11.3%

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

Unaudited consolidated statement of cash flows
For the nine months ended
30th September 2023

	9 months ended 30th September 2023 Amount Rial '000	9 months ended 30th September 2022 Amount Rial '000
Cash from operations	11,923	11,883
Net tax refund (paid) / received	(97)	210
Net interest paid	(2,671)	(2,892)
Net cash from operating activities	9,155	9,201
Net cash (used in)/from investing activities	(6,208)	95
Net cash used in financing activities	(12,304)	(19,751)
Net decrease in cash & cash equivalents	(9,357)	(10,455)
Cash and cash equivalents brought forward	14,536	15,858
Cash and cash equivalents carried forward	5,179	5,403

Note:

1. Fixed deposits with maturity of more than 3 months are excluded from cash and cash equivalents in the cash flow statement.
2. Fixed deposits included in Bank and Cash balance in the Balance Sheet are as follows: (2023: RO 5,017k ; 2022 RO 6,022k)
3. Bank overdrafts are considered as part of cash and cash equivalents in the cash flow statement

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

Unaudited consolidated statement of changes in equity
For the nine months ended
30th September 2023

	Share Capital	Share Premium	Legal Reserve	Retained earnings	Total Rial '000
1st January 2023	23,641	26,936	9,012	20,957	80,546
Net profit for the period	-	-	-	8,181	8,181
Income from treasury shares	-	-	-	457	457
Dividend declared	-	-	-	(4,728)	(4,728)
30th September 2023	23,641	26,936	9,012	24,867	84,456
1st January 2022	23,641	26,936	8,831	12,366	71,774
Net profit for the period	-	-	-	8,478	8,478
Income from treasury shares	-	-	-	457	457
Dividend declared	-	-	-	(4,728)	(4,728)
Transactions with MI	-	-	-	165	165
Transfer to legal reserve	-	-	(30)	30	-
Transfer from subordinate loan reserve	-	-	-	1,500	1,500
30th September 2022	23,641	26,936	8,801	18,268	77,646

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

Notes

1. Inventories

Inventories can be analysed as follows:

	9 months ended 30th September 2023	9 months ended 30th September 2022
	Amount	Amount
	Rial '000	Rial '000
Catering stock and consumables	4,167	5,890

2. Trade receivables & Prepayments

Trade receivables can be analysed as follows

	9 months ended 30th September 2023	9 months ended 30th September 2022
	Amount	Amount
	Rial '000	Rial '000
Trade receivables and Prepayments & advances	50,760	48,934
Less: Provisions	(3,656)	(3,018)
	47,104	45,916

3. Segment Reporting

Renaissance currently operates one business segment, Integrated Facilities Management (IFM).

4. Bank loans and overdrafts

These can be analysed as follows:

	9 months ended 30th September 2023	9 months ended 30th September 2022
	Amount	Amount
	Rial '000	Rial '000
Term loans	64,225	68,249
Short term loans	700	1,500
Bank Overdrafts	-	1,734
	64,925	71,483
Current maturities of term loans	(8,999)	(1,687)
Short term loans and overdrafts	(700)	(3,234)
Long term portion of term loans	55,226	66,562

The bank loans and working capital borrowings are secured by charge over certain assets of the company and its subsidiaries and corporate guarantees. The bank loans and overdrafts bear normal commercial rates.

The maturity of long term loans:

	9 months ended 30th September 2023	9 months ended 30th September 2022
	Amount	Amount
	Rial '000	Rial '000
Due within one year	8,999	1,687
Due after one year	55,226	66,562
	64,225	68,249

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

5. Investments in associates and subsidiaries

Subsidiaries

Investments in subsidiaries are accounted for using the consolidated method as per International Financial Reporting Standards ("IFRS").

The principal operating subsidiaries of Renaissance Services SAOG (RS or the company) are as follows:

Company	30th September 2023 Holding %	30th September 2022 Holding %
1) Tawoos Industrial Services Company SAOC (TISCO)	100%	100%
2) Renaissance Duqm Holding SAOC (RDH)	54.8%	54.8%
3) Mekdam Tech Renaissance JV Trading & Services LLC (MTR)	50.00%	50.00%

Subsidiaries of TISCO

1) Rusail Catering & Cleaning Services LLC (RCCS)	100%	100%
2) Renaissance Sager Environment Solutions LLC (RS SAGER)	51%	51%
3) Renaissance Contract Services International LLC (RCSI)	100%	100%
4) Renaissance Facilities Management Company SAOC (RFMC)	100%	100%

Subsidiary of RDH

1) Renaissance Duqm Accommodation Company SAOC (RDAC)	100%	100%
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RCSI through its subsidiary in UAE, provides catering and allied services.

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

6. Investments

Investments include all long term and short term investments of the company, excluding only those associates and subsidiaries listed in Note 5. Marketable Securities are carried at their open market value.

Unquoted and other investments are carried at cost adjusted for any appreciation or diminutions in value.

Investments can be analysed as follows:

	Market Value 9 months ended 30th September 2023	Market Value 9 months ended 30th September 2022	Book Value 9 months ended 30th September 2023	Book Value 9 months ended 30th September 2022
	Amount Rial '000	Amount Rial '000	Amount Rial '000	Amount Rial '000
Short Term investments				
Marketable securities - Oman				
Banking	-	-	-	-
Investments	-	-	-	-
Insurance	-	-	-	-
Services	6	6	6	6
Industrial	-	-	-	-
Government Bonds	-	-	-	-
	<u>6</u>	<u>6</u>	<u>6</u>	<u>6</u>
Marketable securities - Foreign				
Banking	-	-	-	-
Investments	-	-	-	-
Industrial	-	-	-	-
Bonds	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Unquoted and other investments				
Unquoted Omani shares	-	-	-	-
Investment fund units	3,409	3,744	3,409	3,744
Term deposits	-	-	-	-
Unquoted foreign shares	-	-	-	-
	<u>3,409</u>	<u>3,744</u>	<u>3,409</u>	<u>3,744</u>

Long Term investments

Long term investments of RO 6,490K (2022: RO 5,578K) represents market value of investments in Omani and Foreign quoted/unquoted shares, bonds and other fixed income instruments. These investments are classified as measured at fair value through other comprehensive income (FVTOCI). The movement in the market value of these investments have been recognised in the statement of other comprehensive income and disclosed under other reserves in the balance sheet.

Gains and losses accumulated through revaluation of bonds in the statement of other comprehensive income are reclassified to the profit or loss account upon sale of fixed income instruments. Gains and losses accumulated through revaluation of equity instruments in the statement of other comprehensive income are not reclassified to the profit or loss account upon their sale.

A subsidiary company holds 22,829,241 shares (2022 - 22,829,241 shares) in Renaissance Services SAOG. Cost of these treasury shares of Rial 6,853K (2022: Rial 6,853K) has been shown as a deduction from equity.

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

6a. Investment income

Realised

Realised investment income represents gains and losses on disposal of investments and other realised investment related gains and losses and income earned out of investments.

Unrealised

Marketable securities/Unquoted securities are recorded at their open market value/fair value. Movements in the carrying values of these securities are taken to unrealised investment income.

Investment income can be analysed as follows

	9 months ended 30th September 2023	9 months ended 30th September 2022
	Amount Rial '000	Amount Rial '000
Realised	448	231
Unrealised	254	(34)
	702	197

7. Details of significant Investments

Not Applicable

8. Related party transactions

The value of transactions involving related parties during the period were as follows:

Revenue items

	9 months ended 30th September 2023	9 months ended 30th September 2022
	Amount Rial '000	Amount Rial '000
National Training Institute LLC	195	182
Tawoos Agricultural Systems LLC	44	51
Badr Enhanced Oil Recovery LLC	4	-
Tawoos LLC	18	3
HH Tarik Shabib	1	-
Badr Al Qurum LLC	-	43
Badr Investment Group LLC	-	87
	262	365

Expense Items

Oman Flour Mills Company SAOG	97	102
National Training Institute LLC	11	21
National Hospitality Institute SAOC	10	14
Automatic Terrazo Tiles Factory	2	2
Sager SRL, Italy	-	4
MEISSA LLC	-	43
	120	186

Loans Received / (Repaid)

Mekdam Technology W.L.L., Qatar	(1,734)	521
	(1,734)	521

RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2023

8a. Related Party Balances Due

	9 months ended 30th September 2023 Amount Rial '000	9 months ended 30th September 2022 Amount Rial '000
Receivables Due		
Badr Investment Group LLC	138	214
National Training Institute LLC	118	87
Badr Al Qurum LLC	97	177
Tawoos Agricultural Systems LLC	12	24
Tawoos LLC	7	2
Tawoos Power & Telecom LLC	1	0
Others (< RO 1000)	1	-
	374	504
Payables Due		
Mekdam Technology W.L.L., Qatar	41	521
Oman Flour Mills Company SAOG	42	42
Sager SRL, Italy	1	1
National Training Institute LLC	-	9
National Hospitality Institute SAOC	-	5
	84	578

9. Provisions

Changes to the level of provision for receivables during the period can be analysed as follows.

Provisions for :	Receivables & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Provision at the beginning of the period	3,578	-	-	3,578
Provision made during the period	138	-	-	138
(Written off) during the period	(60)	-	-	(60)
Provision balance as of 30th September 2023	3,656	-	-	3,656
Book value of Assets:	Receivable & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Value of assets before provision	50,760	9,905	4,167	64,832
Provision balance as of 30th September 2023	(3,656)	-	-	(3,656)
Book value of assets as of 30th September 2023	47,104	9,905	4,167	61,176

10. Shareholders

All the shareholders of the company who own 10% or more of the company's shares and the number of shares they hold are as follows:

	9 months ended 30th September 2023 No of shares	9 months ended 30th September 2022 No of shares
Common Share holders:		
Tawoos LLC	27,381,324	27,381,324
Oman Investment Authority	26,165,267	22,493,084
Preferred Shareholders:		
Nil	-	-
	53,546,591	49,874,408