

**RENAISSANCE SERVICES SAOG AND ITS SUBSIDIARY COMPANIES
INTERIM REPORT FOR THE PERIOD ENDED 31ST MARCH 2020**

	3 months ended 31st March 2020 Amount Rial '000	3 months ended 31st March 2019 Amount Rial '000
Total assets	207,965	816,619
Total liabilities	133,540	626,445
Net assets (excluding Perpetual notes and Minority)	56,948	56,275
Net assets per share (Rial)	0.267	0.170
Current ratio	1.428	0.732

	3 months ended 31st March 2020 Amount Rial '000	3 months ended 31st March 2019 Amount Rial '000
Gross profit	7,120	4,949
Gross profit margin %	25%	19%
Net profit after tax	4,050	7,857
Net profit after minority interest	3,207	6,162
Earnings per share (Rial) (after Perpetual notes coupon)	0.015	0.016

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**Unaudited consolidated balance sheet as at
31st March 2020**

	Notes	3 months ended 31st March 2020 Amount Rial '000	3 months ended 31st March 2019 Amount Rial '000
Non current assets			
Property, plant and equipment		128,663	665,821
Intangible assets		2,086	29,455
Long term investments	5,6,7	4,187	-
Deferred tax asset		-	2,165
		134,936	697,441
Current assets			
Inventories	1	4,793	10,684
Trade receivables & Prepayments	2&9	38,987	80,085
Receivables from related parties		265	68
Investments	5,6,7&9	500	245
Bank and cash		28,484	23,757
		73,029	114,839
Assets of disposal group classified as held-for-sale	5	-	4,339
		73,029	119,178
		207,965	816,619
Current liabilities			
Trade & other creditors		40,421	126,020
Working capital borrowings	4	2,552	13,416
Term loans - current portion	4	3,914	23,378
Dividend payable - net		4,271	-
		51,158	162,814
Long term liabilities			
Term loans and Senior notes	4	74,364	387,260
Non current payables and advance (including lease liability)		3,747	70,749
Staff terminal benefits		4,271	5,622
		82,382	463,631
		133,540	626,445
Net assets	TOTAL -A	74,425	190,174
Capital and reserves			
Share capital		23,641	36,727
Treasury shares	6	(6,853)	(6,853)
Share premium		26,936	26,936
Legal reserve		8,343	12,446
Subordinated loan reserve		3,000	3,482
Other reserves		(182)	-
Exchange loss on investment in foreign subsidiaries		-	(96)
Retained earnings		(1,144)	(22,529)
Profit for the period		3,207	6,162
		56,948	56,275
Perpetual notes	4	-	46,799
Minority interest		17,477	87,100
	TOTAL-B	74,425	190,174

Note: Balance sheet as at 31st March 2019 includes assets, liabilities and minority interest relating to Topaz Energy and Marine Limited (Topaz), an erstwhile subsidiary of Renaissance (Note 5)

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Unaudited consolidated income statement
For the three months ended
31st March 2020

	3 months ended 31st March 2020	3 months ended 31st March 2019
	Amount Rial '000	Amount Rial '000
Turnover	28,855	25,526
Gross profit	7,120	4,949
Administration & general expenses	(1,909)	(1,918)
Operating profit	5,211	3,032
Other income	13	22
Finance charges	(1,172)	(1,312)
Profit before tax and minority interests	4,052	1,742
Tax	(2)	(338)
Profit for the period from continuing operations	4,050	1,404
Profit from discontinued operations (Note 5)	-	6,453
Profit for the period	4,050	7,857
Minority interest	(843)	(1,695)
Net profit attributable to Ordinary Shareholders	3,207	6,162
Dividend per share (Rial)	0.020	-
Net profit margin (%)	14.0%	5.5%

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Unaudited consolidated statement of cash flows
For the three months ended
31st March 2020

	3 months ended 31st March 2020 Amount Rial '000	3 months ended 31st March 2019 Amount Rial '000
Cash from operations	3,709	8,580
Net tax (paid)/refund received	185	(1,898)
Net interest paid	(1,051)	(11,127)
Net cash from operating activities	2,843	(4,445)
Net cash used in investing activities	(2,997)	(39,324)
Net cash from financing activities	(5,192)	35,643
Net decrease in cash & cash equivalents	(5,346)	(8,127)
Cash and cash equivalents brought forward	33,778	31,625
Cash and cash equivalents carried forward	28,432	23,498

Note: Statement of cashflows for the period ended 31st March 2019 includes cashflows relating to Topaz Energy and Marine Limited (Topaz), an erstwhile subsidiary of Renaissance (Note 5)

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Unaudited consolidated statement of changes in equity
For the three months ended
31st March 2020

	Share Capital	Share Premium	Legal Reserve	Retained earnings	Total Rial '000
1st January 2020	23,641	26,936	8,341	3,362	62,280
Net profit for the period	-	-	-	3,207	3,207
Income from treasury shares				457	457
Dividend declared	-	-	-	(4,728)	(4,728)
Transaction with MI	-	-	2	(235)	(233)
31st March 2020	23,641	26,936	8,343	2,063	60,983
1st January 2019	36,727	26,936	12,446	(20,621)	55,488
Net profit for the period				6,162	6,162
Perpetual notes coupon paid	-	-	-	(1,908)	(1,908)
31st March 2019	36,727	26,936	12,446	(16,367)	59,742

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Notes

1. Inventories

Inventories can be analysed as follows:

	3 months ended 31st March 2020	3 months ended 31st March 2019
	Amount Rial '000	Amount Rial '000
Catering stock and consumables	4,793	3,421
Spares	-	7,263
	4,793	10,684

2. Trade receivables

Trade receivables can be analysed as follows

	3 months ended 31st March 2020	3 months ended 31st March 2019
	Amount Rial '000	Amount Rial '000
Trade receivables & Prepayments	41,125	84,323
Less: Provisions	(2,138)	(4,238)
	38,987	80,085

3. Segment Reporting

Renaissance currently operates only one business segment.

4. Bank loans, senior notes and overdrafts

These can be analysed as follows:

	3 months ended 31st March 2020	3 months ended 31st March 2019
	Amount Rial '000	Amount Rial '000
Term loans and senior notes	78,278	410,638
Short term loans	2,500	13,158
Overdrafts	52	258
	80,830	424,054
Current maturities of bank loans	(3,914)	(23,378)
Short term loans and overdrafts	(2,552)	(13,416)
Long term portion of term loans and senior notes	74,364	387,260

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

Decrease in loan balance is mainly due to divestment of Topaz. Renaissance has also prepaid term loans/working capital borrowings amounting to RO 40.8m in Q3 2019 by utilising proceeds received from divestment of Topaz.

The maturity of long term loans and senior notes:

	3 months ended 31st March 2020	3 months ended 31st March 2019
	Amount Rial '000	Amount Rial '000
Due within one year	3,914	23,378
Due after one year	74,364	387,260
	78,278	410,638

Perpetual Notes

Renaissance International Limited (the "Issuer"), a limited liability company registered in Cayman Islands and a wholly-owned subsidiary of the company, had issued RO 48.3 million (USD 125.5 million) perpetual notes to repurchase a part of the Mandatory Convertible Bonds issued by the Company. Issuance costs amounting to RO 1.5 million (USD 3.9 million) were incurred. Perpetual notes were bearing a coupon rate of 7.9% per annum. Coupon distributions were reported in the consolidated statement of changes in equity.

The Issuer had repurchased/redeemed 100% P Notes of RO 48.3 million in Q4 2019 at par value including coupons accrued till the date of repurchase/redemption by utilising proceeds received from divestment of Topaz.

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5. Investments in associates and subsidiaries

Associates

There are no investment in associate companies.

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 (the company) are as follows:

Company	31st March 2020 Holding %	31st March 2019 Holding %
1) Tawoos Industrial Services Company SAOC (TISCO)	100%	100%
2) Renaissance Duqm Holding SAOC (RDH)	52.8%	51.9%

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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Renaissance had divested its major subsidiary Topaz Energy and Marine Limited (Topaz) in Q3 2019. Net profit after tax from discontinued operations for the 3 months period ended 31st March 2019 represents net profit of Topaz.

RCSI through its subsidiaries in UAE, provides catering and allied services.

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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 permanent diminutions in value.

Investments can be analysed as follows:

	Market Value 3 months ended 31st March 2020 Amount Rial '000	Market Value 3 months ended 31st March 2019 Amount Rial '000	Book Value 3 months ended 31st March 2020 Amount Rial '000	Book Value 3 months ended 31st March 2019 Amount Rial '000
Short Term investments				
Marketable securities - Oman				
Banking	-	-	-	-
Investments	-	-	-	-
Insurance	-	-	-	-
Services	-	-	-	-
Industrial	-	7	-	7
Government Bonds	-	-	-	-
	-	7	-	7
Marketable securities - Foreign				
Banking	-	-	-	-
Investments	-	-	-	-
Industrial	-	-	-	-
Bonds	-	-	-	-
	-	-	-	-
Unquoted and other investments				
Unquoted Omani shares	-	-	-	-
Investment fund units	500	238	500	238
Term deposits	-	-	-	-
Unquoted foreign shares	-	-	-	-
	500	238	500	238

Long Term investments

Long term investments of RO 4,187K (2019: NIL) represents market value of investments in Omani and Foreign quoted shares, and investments in Oman Government and other bonds. These investments are classified as measured at fair value through other comprehensive income. 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.

A subsidiary company holds 22,829,240 shares (2019 - 35,466,175 shares) in Renaissance Services SAOG. Cost of these treasury shares of Rial 6,853K (2019: Rial 6,853K) has been shown as a deduction from equity.

6a. Investments income

Realised

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

Unrealised

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

	3 months ended 31st March 2020 Amount Rial '000	3 months ended 31st March 2019 Amount Rial '000
Investment income can be analysed as follows		
Realised	1	2
Unrealised gain/(loss)*	(260)	-
	(259)	2

*Unrealised loss is relating to long term investments of RO 4,187K.

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7. Details of significant Investments

Details of all the reporting company's investments including Associates/Subsidiaries for which either the reporting company's holdings represent 10% or more of the issued share capital or the reporting company's holdings exceed 10% of the market value of the reporting company's investment portfolio are provided as follows as on:-

31st March 2020

	Holding %	Number of Securities	Market Value Amount Rial '000	Book Value Amount Rial '000	Cost Amount Rial '000
MSM Quoted Securities	0%	-	-	-	-
Foreign Listed Securities	0%	-	-	-	-
<hr/>					
As of 31st March 2020		-	-	-	-
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	Holding %		Book Value Amount Rial '000	Cost Amount Rial '000
MSM Unquoted Securities	0%		-	-
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Total as of 31st March 2020			-	-
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Foreign Unlisted Securities	0%		-	-
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Total as of 31st March 2020			-	-
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8. Related parties & holders of 10% of company shares.

The nature of significant transactions involving related parties holding 10% or more of the company's shares and the amounts involved during the period were as follows:

Income items

	3 months ended 31st March 2020 Amount Rial '000	3 months ended 31st March 2019 Amount Rial '000
Tawoos LLC - Services	3	3
	3	3

Expense Items

The nature of significant transactions involving related parties holding 10% or more of the company's shares and the amounts involved during the period were as follows:

	3 months ended 31st March 2020 Amount Rial '000	3 months ended 31st March 2019 Amount Rial '000
Tawoos LLC	-	-
	-	-

8a. Loans, Advances, Receivables due, Provisions & write offs

Loans, advances or receivables due from related parties holding 10% or more of the company's shares minus all provisions and write-offs which have been made on these accounts at any time, are further analysed as follows:

	3 months ended 31st March 2020 Amount Rial '000	3 months ended 31st March 2019 Amount Rial '000
Tawoos LLC	10	4
	10	4

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9. Provisions

Changes to the level of provisions during the period can be analysed as follows.

Provisions for :	Receivables & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Beginning balance of Provision	2,085	-	-	2,085
Provided during the period	53	-	-	53
Transfer up on divestment of Topaz	-	-	-	-
(Written off) during the period	-	-	-	-
Provision balance as of 31st March 2020	2,138	-	-	2,138

Book value of Assets:	Receivable & Prepayments	Value of Investments	Inventories	Total Amount Rial '000
Value of assets before provision	41,125	4,687	4,793	50,605
Provision balance as of 31st March 2020	(2,138)	-	-	(2,138)
Book value of assets as of 31st March 2020	38,987	4,687	4,793	48,467

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:

	3 months ended 31st March 2020 No of shares	3 months ended 31st March 2019 No of shares
Common Share holders:		
Cyclical Services LLC	34,408,309	53,454,738
Tawoos LLC	27,381,324	42,538,025
Preferred Shareholders:		
Nil	-	-
	61,789,633	95,992,763