



## Chairman's Statement

On behalf of the Board of Directors, I present the unaudited accounts for Renaissance Services SAOG, for the six-month period ending 30 June 2019.

The major event of this period is the sale of Topaz to DP World. This marks Renaissance's exit from the Offshore Support Vessel (OSV) and Marine Logistics business. Topaz shall prosper under new stewardship with capital depth and global reach. We are on target to complete the sale process in Q3.

Renaissance is now a single focus business: Services Solutions. Our aim is to build shareholder value through rapid growth. We shall achieve this by delivering excellent service to our customers. We achieve that through competent people, applying good governance, innovation and best practice. Our strategy is to continuously improve our professional capabilities as we diversify services, sectors and geography. Our operating mantra is: safe, efficient, green, local.

## Financial Performance

### RS Consolidated

Continuing operations	Rial Million		USD Million	
	H1 2019	H1 2018	H1 2019	H1 2018
Revenue	<b>51.1</b>	46.5	<b>132.7</b>	120.8
EBITDA	<b>10.0</b>	8.6	<b>26.0</b>	22.3
Operating profit	<b>5.3</b>	4.0	<b>13.8</b>	10.4
<b>Net profit after tax from continuing operations (before one-off tax reversal in 2018)</b>	<b>2.0</b>	0.6	<b>5.2</b>	1.7
Net profit after tax from continuing operations (after one-off tax reversal in 2018)	<b>2.0</b>	2.9	<b>5.2</b>	7.7
Profit/(loss) from discontinued operations	<b>10.6</b>	(1.3)	<b>27.6</b>	(3.4)
Net profit after tax and discontinued operations (Note 1 and 2)	<b>12.6</b>	1.7	<b>32.7</b>	4.3
Net profit after minority interest	<b>7.8</b>	0.4	<b>20.3</b>	1.1

Notes:

1. The Board of Renaissance accepted the final binding offer from DP World amounting to Rial 415 million (US\$ 1.079 Billion) enterprise value for acquiring 100% shares in its subsidiary Topaz Energy and Marine Limited, Bermuda (Topaz) on 30th June 2019. Accordingly, assets and liabilities of Topaz as on 30th June 2019 have been classified as held for sale as per IFRS 5. These assets and liabilities of disposal group are valued at lower of carrying value or fair value less cost to sell. As required by IFRS 5, net result (after considering goodwill impairment of Rial 5.7 million) of Topaz for H1 2019 Rial 10.6 million (H1 2018: Loss of Rial 1.5 million) has been classified as discontinued operation. The final profit from discontinued operation shall vary depending upon Topaz's debt and cash position at the time of financial closure of the divestment transaction.
2. Net profit/(loss) after tax from discontinued operations for H1 2018 includes net profit from Renaissance Norway operations of Rial 0.2 million. This operation was divested in Q4 2018.

## Sale of Topaz

In addition to the net proceeds from the sale, Renaissance shall also receive a settlement from Topaz of an outstanding Rials 30.2 Million (US\$ 78.6 Million) shareholder loan.

Renaissance had announced and pursued a liquidity event for Topaz over the past year, including the possibility of a sale of equity. This transaction fulfills Renaissance objectives set out in that strategy: to de-risk the company; de-leverage the balance sheet; meet pending capital obligations; and strengthen liquidity. The priority shall be to de-leverage, including the SCPEL obligation, a repurchase of the Perpetual Notes and the reduction of borrowing.

Renaissance issued full disclosure and explanatory notes at the time of announcement. On the same day, management held an open meeting for shareholders, brokers and analysts at the CMA Hall to answer questions and provide clarifications.

Renaissance shareholders approved DP World's final binding offer at a General Meeting held on 29 July 2019. Final regulatory consents and approvals are in process.

Details of all disclosure documents and events are available on the company website [www.renaissanceservices.com](http://www.renaissanceservices.com)

## Renaissance

Occupancy is increasing every month at Renaissance Village Duqm, and now stands above 12,000 residents > 60%. We have expanded total bed capacity from 16,960 to 18,655. Forecast demand exceeds this capacity by year-end, so the company is pursuing further expansion during the year.

Occupancy is also improving in the Renaissance Villages in PDO's oil & gas fields, reaching >90% by the end of H1. We see further growth opportunities ahead with our Renaissance Village brand, as a proven formula for success in looking after workforces with respect and dignity, at affordable costs.

UAE operations are improving although losses continue, and we have plans to ensure break-even by year end.

We are on schedule to commence our waste management contract with be'ah in September in the Al Wusta region.

## **Outlook**

The Board has pursued a 'One Group – Two Companies' strategy over the long term, based on the conviction that Topaz and the Renaissance services businesses should one day exist and operate independently. This creates clarity of purpose and focus in each of the companies and strengthens foundations for strategic growth and optimum value.

Divestment of Topaz provides a clear opportunity to materially deleverage, grow the Renaissance business and create long term value for shareholders; including the key restoration of our track record as a dividend paying company. The company intends to invest in solid business opportunities, with good visibility, where it has a proven track record.

Regionally and in Oman there are clear signals that Governments and large corporates are recognizing the value of outsourcing non-core services. The recent laws on FCI (Foreign Capital Investment), Privatisation, and PPP (Private Public Partnership) and the formation of a Public Authority for Private Public Partnership, underscore the relevance. In this regard, Renaissance is ideally positioned to prosper. While having singularity of industry focus in 'Services', the company has diversity in a broad range of proven expertise within the sector: In Integrated Facilities Management (IFM), Soft FM, Hard FM and Accommodation Solutions. The Company's services are being delivered to every important sector of the country and there is even greater potential with a strong balance sheet at its disposal.

We expect positive operating performance to continue during the year. Duqm became profitable in H1 and its path from 60% to full occupancy in the year will naturally have an exponential P&L impact to H2 19 and even more so in 2020. In addition, we are actively exploring plans for further expansion of Renaissance Village

Duqm to meet and service strong demand. The company is also well placed to make further contract gains in its waste management JV.

### **Tribute**

On behalf of the board of directors, I would like to express our sincere gratitude to His Majesty Sultan Qaboos Bin Said. On 23rd July 2019 we joined the entire nation in celebrating the 49th Renaissance Day. This marked the start of the 50th year of His Majesty's reign. A period of Renaissance that has witnessed unprecedented development, growth and prosperity and reaffirmed Oman's status in the world. This has allowed companies such as ours to grow and prosper, provide employment and opportunity, and deliver sustainable in-country value. We wish His Majesty a wonderful Jubilee Year.

Samir. J. Fancy  
Chairman