FOR IMMEDIATE RELEASE

Gulf International Services reports revenue of QR 3.0 billion for the year ended 31 December 2020

- *Bottom line profitability, excluding the impact of one-off, non-cash impairment losses, reached to a net loss of QR 10 million for the financial year 2020, compared to a net profit of QR 44 million of last year*

- *EBITDA[1] of QR 565 million for the year ended 31 December 2020*

- *Impairment of assets within the drilling and aviation segments amounting QR 308 million booked during the year*

- *Drilling segment continued to be under pressure, amid down cycle in the oil & gas industry worldwide caused by COVID-19 outbreak, affecting asset utilization and rig rates globally*

- *Aviation and insurance segments continued to be on a positive trajectory on the back of capitalizing on new opportunities and expanding market share*

- *Several cost optimization initiatives implemented to offset impacts of the current macroeconomic conditions*

Doha, Qatar; 18 February 2021: Gulf International Services ("GIS" or "the Group"; QE ticker: GISS), one of the largest diversified service groups in Qatar with interests in oil and gas drilling, insurance, helicopter transportation and catering services, today reported a net loss of QR 319 million for the year ended 31 December 2020.

Macroeconomic challenges and business performance
2020 was a challenging year for the Group companies, as the oil and gas industry witnessed severe volatilities coupled with the global economic downturn amid COVID-19 outbreak, and created another layer of downward pressures, while the Group companies were relentlessly working to recover from the previous down cycle within the oil and gas industry.

These unprecedented external factors led to significant cuts in oil and gas exploration, production and maintenance activities across the globe and negatively affected the Group entities in terms of operational and financial performance for the year.

[1] Impact of impairment excluded from the EBITDA calculations

Moreover, impairment of assets within the drilling and aviation segment, has also contributed significantly to the Group's net losses for the year ended 31 December 2020. The decision of the assets impairment was taken after taking into consideration the age and technical capabilities of those rigs and aircrafts and future marketability for those assets. Excluding the impact of one-off, non-cash impairment losses, the Group's bottom line profitability reached to a net loss of QR 10 million for the financial year 2020.

Drilling segment
In light of the momentous macro challenges, demand for the drilling rigs worldwide has fallen drastically amid projects deferrals or cancellation, which in turn led to a reduction in rates of rigs, globally.

Consequently, days-rates at Gulf Drilling International (GDI) level were also negatively affected and were re-priced. This was coupled with modification of contract terms and temporary rig suspension, specifically within the on-shore fleet, negatively impacting the overall performance of the segment.

However, despite the underlying external factors, which remains out of the segment's control, GDI placed efforts to withstand these challenging conditions in order to mitigate the business and operational risks. The segment made continuous efforts to optimize cost in all possible areas of business, to provide financial flexibility, while ensuring that safety and performance standards are not compromised.

In terms of updates on GulfDrill JV, no new rigs were deployed to the fleet during Q4-20, and the fleet continue to comprise of two rigs (i.e. "Lovanda" deployed in March 2020; and "West Castor" deployed in August 2020). Additional rigs are expected to commence operations in various phases during first half of 2021, which will unlock solid future growth opportunities for the segment.

Aviation segment
In terms of topline performance, the aviation segment continued the growth momentum and was able to sustain its margins, while expanding its footprints internationally via winning several new short-terms contracts during the year and further pushing ahead with the growth of MRO business into new markets.

Insurance segment
The insurance segment witnessed significant growth in terms of premiums, amid successful renewal of existing contracts with clients, along with improved price terms. Moreover, the segment was able to gain new SME clients in its medical line of business, which further added value to the top line. Al-Koot Insurance currently stands as the second largest company, in terms of gross written premiums within the medical insurance business in Qatar.

Catering segment
During the year, catering segment successfully won new catering and manpower contracts, with higher occupancy levels at the site camps. However, the overall segmental performance was affected due to additional precautionary measures specifically implemented in relation to the catering industry, to contain the spread of COVID-19 pandemic, which affected profitability margins evolution for the segment.

Financial Performance

Group's revenue for the year ended 31 December 2020 amounted to QR 3.0 billion, and remained at the same level of last year. Revenue growth from the aviation and insurance segments was entirely offset by reduction in revenue from the drilling and catering segments.

The Group reported an EBITDA[2] of QR 565 million for the year ended 31 December 2020, while the Group posted a net loss of QR 319 million year ended 31 December 2020.

Group's bottom line profitability was primarily impacted due to booking of one-off, non-cash impairment loss of QR 308 million. The impairment loss was mainly related to the retirement of one onshore and one offshore rigs within the drilling segment, in addition to the impairment provision in relation to 19 old non-operating bell aircrafts within the aviation segment. Excluding the impact of one-off, non-cash impairment losses, the Group's bottom line performance reached to a net loss of QR 10 million for the financial year 2020.

The financial performance was also negatively impacted by the drilling segment, as a result of significant drop in revenue due to premature suspension of some rigs within the onshore fleet and repricing of drilling day rates lower than the previous levels.

On the other hand, results were positively impacted, underpinned by growth in revenue within the aviation segment on the back of strong operational performance owing to market expansion strategy, specifically in the international markets, growth within the domestic fleet and MRO business. Similarly, insurance segment continued its positive trajectory while building on premiums on the back of aggressive market expansion strategies and successful contract renewals coupled with favorable pricing terms.

The Group also benefitted from the continued current low interest rates, which positively impacted the financial performance for the year 2020, where Group's finance cost declined by 31% to reach QR 162 million, as compared to QR 237 million for last year.

Revenue for the fourth quarter of 2020 represented a moderate increase of 4%, compared to the third quarter of 2020, mainly on the back of growth from aviation segment, where, segmental revenue grew by 32%, on a quarter-on-quarter basis. The growth in aviation segment's revenue was backed by improved flying hours within the domestic segment, revenue growth from the Turkish subsidiary; Red Star aviation, and better revenue generated from MRO business due to increased maintenance and overhaul work performed in relation to a domestic contract. On the other hand, the drilling segment's revenue reduced marginally by 1% compared to Q3-20. The catering segment reported a reduction of 1% in terms of revenue, due to demobilization of a contract. Revenues from insurance segment also witnessed a reduction of 8% compared to previous quarter, mainly due to fewer policies underwritten in Q4-20, as no major renewal have occurred.

A net loss of QR 367 million was reported for Q4-20, as compared to a net loss of QR 5 million in Q3-20. This notable increase in loss was mainly attributed to booking of impairment loss of QR 221 million within the drilling segment related to Msherib and GDI-3, QR 6 million in relation to impairment of financial assets and an impairment loss of QR 87 million related to the old non-operating bell aircrafts within the aviation segment.

The Group's total assets declined by 8% during the year, to reach QR 10 billion as at 31 December 2020, compared to last year. On the liquidity front, the closing cash, including short-term

[2] Impact of impairment excluded from the EBITDA calculations

investments, stood at QR 691 million, down by 24% as compared to 31 December 2019. The total debt at Group level stood at QR 4.4 billion as at 31 December 2020.

Updates on Restructuring and Refinancing of Debt

With new market dynamics and post COVID-19 outlook, the Group management is still working closely with all the stakeholders including the financial advisor, to reformulate a funding strategy, including capital and debt restructuring, and finalize a new sustainable restructuring and refinancing program, which would be financially viable for debt serviceability in the long term.

Given the level of uncertainty amid macroeconomic dynamics, going forward, it is anticipated that with some stability reached at the macro level, there could be a new funding strategy formulated, which could lead tooptimum funding levels, with an efficient and effective interest cover for the Group, while unlocking future growth opportunities, that could translate into realizable shareholder value creation.

Operational and financial performance highlights by segment

Drilling: The segment reported a net loss of QR 453 million, up by 345%, compared to last year. This notable increase in net losses was primarily attributed to the combine effect of both non-operational and operational reasons, including booking of impairment losses in relation to drilling assets and negative growth in revenue.

The segment reported a revenue of QR 923 million for the year ended 31 December 2020, down by 21% compared to the last year. The reduction in revenue was primarily due to the premature rig suspension within the onshore fleet, amid COVID-19 pandemic. However, the suspension is only for a temporary period and these rigs are expected to commence operations soon. In addition, the rig day rates, with effect from July 2020, had been repriced with reduced rates, amid sluggish demand outlook. On a positive side, the revenue reduction was partially offset by additional revenue streams from the GulfDrill JV, as two of the planned rigs have commenced operations during the year.

The drilling market remained challenging during 2020, however GDI was successful in optimizing and controlling costs, identifying areas of increased efficiency and eliminating or deferring non-essential activities. The strategy to reduce total overall costs and general & administrative costs has yielded positive results thus far, where the segment was able to reduce its total direct costs by QR 18 million and total G&A expenses by QR 11 million, compared to last year.

In addition, the segment also benefited from lower interest rates, with a total decline of QR 64 million in segment’s finance cost during the year, compared to last year.

Looking ahead, given the uncertainty that still persists and with oil and gas market conditions cautiously recovering on back of macroeconomic optimism, we believe that the cyclical nature of the industry will ultimately bring forth a recovery phase that would drive incremental demand for drilling services which could be more favorable to drilling contractors.

The North Field expansion project, for which GDI’s joint venture has already commenced operations during this year will also unlock solid growth opportunities for the segment and will lead to greater strategic and competitive advantage to the segment in the future and will strengthen GDI’s position in the offshore drilling market in Qatar.

Aviation: The aviation segment reported segmental revenue of QR 688 million for the year ended 31 December 2020, up by 17% compared to last year. The growth in revenue translated into a growth in segment's net earnings[3] to reach QR 383 million, compared to QR 143 million for last year.

The significant growth in profitability was supported by recording a one-off non-cash capital gain of QR 268 million, arising on account of capital gain on transfer of a land and building by Gulf Helicopters Company to GIS, as a part of distribution of dividends in kind. The same one-off gain has been eliminated at the Group level, as part of inter-company eliminations.

The segment net profit, excluding the one-off capital gain and income taxes, reached QR 115 million, representing a reduction of 19% compared to same period last year. The reduction in net profits was purely related to non-operational reasons due to reporting of a one-off, non-cash impairment expense of QR 87 million relating to the un-utilized old aircrafts. Net profits, excluding impairment provisions, one-off capital gain and income taxes, would amount to QR 202 million, up by 42% versus last year.

Revenue growth was driven by an improved performance across all the segments which includes domestic, international and MRO. The domestic business unit saw realizations of price increase for the previous years (2018 and 2019) for a domestic customer, along with an addition of one new aircraft within the Qatari Oil and Gas operations. The international segment continued its positive trajectory while entering into new territories and expanding market presence to enhance utilization and growth aspirations. Here, the segment successfully won new short-term contracts in Angola, Oman and South Africa. Moreover, the Turkish subsidiary, witnessed an improved set of financial results, amid growth in commercial flying hours. In addition, MRO business continued its growth, with a new international contract won during the year, along with better work order for domestic contracts.

On overall basis current year's flying hours were on the lower side compared to last year, due to lowered economic activity since the outbreak of COVID-19 pandemic. However, the fixed charges remained unaffected and supported the overall year-on-year growth in segmental revenue.

Going forward, the aviation segment will continue to focus on key international markets, which provide opportunities in oil and gas aviation services sector. Moreover, the segment is well positioned to unlock additional growth opportunities in Qatar, where increased demand is anticipated from the NFE project which will drive greater exploration activities leading to higher flying hours.

GHC is also focused on tapping opportunities for its inorganic growth potential across the world and is closely monitoring its 'fleet revolving strategy' to ensure its fleet remains state-of-the-art, while also looking out for business opportunities outside the oil and gas sector.

Insurance: Revenue within the insurance segment for the year ended 31 December 2020, increased by 18%, as compared to last year, to reach QR 981 million. This notable growth in revenue was mainly on the back of successful implementation of segment's strategy to further expand its medical line of business, with an aim to capture SME market. The growth in revenue was also augmented due to successful renewal of major contracts with improved pricing terms.

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[3] Segment profit have been reported before impact of income taxes.

The segment net profit[4], increased by QR 36 million as compared to last year, to reach QR 52 million for year ended 31 December 2020, translating into a growth of 226% year-on-basis. The strong growth in bottom line profitability was mainly supported by significant improvement in premiums, in addition to lowered levels net claims compared to last year supported mainly by COVID-19 lockdowns and limited occupancies in hospitals and medical centers.

Looking ahead, the insurance segment would further put in place tremendous efforts to maintain and expand its current market share in Qatar, within both the medical and general insurance. The focus for the general insurance will be on both non-energy and international clients, along with, continued focus on improving operational efficiency, boosting productivity and lowering cost base. Moreover, constant efforts will be made to explore further pricing revisions of existing contracts, coupled with negotiating better discounts in order to maintain a lowered loss ratio. Specifically, on the claims side, improving claim management will be done through improved claim validation processes and extensive audits.

Catering: Catering segment reported a revenue of QR 406 million, a decrease of 6% compared to last year. This was mainly as a result of lowered number of meals served across majority of catering locations, due to COVID-19 restrictions and lockdown imposed, in addition to demobilization of one of the manpower contracts during Q4 2020.

The segment reported a net loss[4] of QR 10 million for year ended 31 December 2020, compared to a net profit of QR 12 million for last year, mainly due to lowered margins and declining revenues.

Looking ahead, Qatar's catering services market is expected to grow at a positive rate throughout the upcoming years, this will be mainly driven by the NFE Project and FIFA 2022 World Cup in Qatar, which will further increase demand for catering and accommodation services in the hospitality sector, where AMWAJ is well positioned to tap on these opportunities. The segment will also aim to develop its existing business portfolio and create path for diverse revenue streams and market share.

Dividends

Given the current year's performance challenged by momentous external pressures and the potential opportunities available to the Group to expand its market share, while the need to remain financially flexible with the current debt structure, the Board of Directors believes that a dividend payment will be a burden on the Group's liquidity position and will place pressure on the future strategy. Hence, the Board of Directors recommends no dividend payment for the financial year ended 31 December 2020, in order for the Group to deploy the retained funds to capture the present and future opportunities.

Earnings Call

GIS will host an IR earnings call with investors to discuss its financial results, business outlook and other matters on Wednesday, 24th February 2021 at 1:30 p.m. Doha time. The IR presentation that accompanies the conference call will be posted on the publications page of GIS's website.

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[4] Segment profit have been reported before impact of income taxes.

About GIS

Gulf International Services, a Qatari public shareholding company listed on the Qatar Stock Exchange, was established on February 12, 2008 in accordance with the provisions of its Articles of Association and Law no. 5 of 2002, promulgating the Commercial Companies Law, especially Article 68 thereof. Subsequently, the Company settled its status and brought its Articles of Association into conformity with the provisions of Law no. 11 of 2015, promulgating the Commercial Companies Law, and in line with the specific nature of its incorporation.

Through the group companies, Gulf International Services Q.P.S.C. operates in four distinct segments - insurance and reinsurance, drilling, helicopter transportation and catering services. Qatar Petroleum, the largest shareholder, provides all of the head office functions for Gulf International Services Q.P.S.C. through a comprehensive service directive. The operations of the subsidiaries remain independently managed by their respective Boards of Directors and senior management teams.

For more information about the earnings announcement, email gis@qp.com.qa or visit www.gis.com.qa.

DISCLAIMER

The companies in which Gulf International Services Q.P.S.C. directly and indirectly owns investments are separate entities. In this press release, "GIS" and "the Group" are sometimes used for convenience in reference to Gulf International Services Q.P.S.C.

This press release may contain forward-looking statements concerning the financial condition, results of operations and businesses of Gulf International Services Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

There are a number of factors that could affect the realization of these forward-looking statements such as: (a) price fluctuations in crude oil and natural gas, (b) changes in demand or market conditions for the Group's services, (c) loss of market share and industry competition, (d) environmental risks and natural disasters, (e) changes in legislative, fiscal and regulatory conditions, (f) changes in economic and financial market conditions and (g) political risks. As such, results could differ substantially from those stated, or as may be inferred from the forward-looking statements contained herein. All forward-looking statements contained in this report are made as of the date of this presentation.

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GENERAL NOTES

Gulf International Services' accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Gulf International Services' share. Values expressed in QR billions/ millions. All other values have been rounded to the nearest whole number. Values expressed in US $'s have been translated at the rate of US $1 = QR3.64.

DEFINITIONS

Cash Realization Ratio: Cash Flow From Operations / Net Profit x 100 • **Debt to Equity:** (Current Debt + Long-Term Debt) / Equity x 100 • **Dividend Yield:** Cash Dividend / Market Capitalization x 100 • **EBITDA:** Earnings Before Interest, Tax, Depreciation and Amortization calculated as [Net Profit + Interest Expense + Depreciation + Amortization] • **Energy (Insurance):** Refers to the Energy, Plant and Construction, Marine, Fire and Other lines of business • **EPS:** Earnings per Share [Net Profit / Number of Ordinary Shares outstanding at the year-end] • **Free Cash Flow:** Cash Flow From Operations - Total CAPEX • **IBNR:** Incurred But Not Reported (Refers to claims incurred but not yet reported at the statement of financial position date) • **Interest Cover:** (Earnings before Interest Expense + Tax) / Interest Expense • **Net Debt:** Current Debt + Long-Term Debt - Cash & Bank Balances • **Payout Ratio:** Total Cash Dividend / Net Profit x 100 • **P/E:** Price to Earnings multiple [Closing market capitalization / Net Profit] • **ROA:** Return On Assets [EBITDA/ Total Assets x 100] • **ROCE:** Return On Capital Employed [Net Profit before Interest & Tax / (Total Assets - Current Liabilities) x 100] • **ROE:** Return On Equity [Net Profit / Shareholders' Equity x 100] • **Utilization (Rigs):** Number of days under contract / (Number of days available - Days under maintenance) x 100