

FOR IMMEDIATE RELEASE

Gulf International Services reports a net profit of QR 281 million for the six-month period ended 30 June 2023

- *Group's revenue amounted to QR 1.7 billion for the six-month period ended 30 June 2023.*
- *EBITDA of QR 581 million for the six-month period ended 30 June 2023*
- *Earnings per share of QR 0.151 for the six-month period ended 30 June 2023*
- *GDI's Concludes Debt Restructuring with Lenders*

Doha, Qatar; 13th August 2023: Gulf International Services ("GIS" or "the Group"; QE ticker: GISS), today reported a net profit of QR 281 million for the six-month period ended 30 June 2023, with an earnings per share of QR 0.151.

Business updates:

Drilling segment:

GDI Loan Restructure:

The debt restructuring deal with the lenders has been successfully concluded for GDI, pending further legal documentation. With a new long-term tenor of 25 years and a 35% balloon, the restructuring debt deal will enable GDI to gradually deleverage its financial position over the debt tenor.

Commenting on the restructuring, Gulf International Services Company said:

"We are pleased that GDI has restructured its debt with its lenders, achieving one of its main capital strengthening priorities in a sustainable manner. This restructuring is expected to provide financial flexibility with an improved liquidity position and allow investment opportunities, along with an immediate realized savings on borrowing cost."

The Company further added, *"This demonstrates clear progress of our financial and operational turnaround objectives, including strengthening the Group's balance sheet and accelerating our progress to maximize enterprise value. The company would like to thank all our stakeholders, each of whom have played an important role in this transaction."*

The drilling segment further reduced the losses experienced in the previous period by enhancing asset utilization and improving the performance of the joint venture with Seadrill. Additionally, during Q2-23, the onshore rig GDI-4 secured a contract with key client. The rig is scheduled to become operational in Q3-23. Moreover, Al-Safliya lift boat was also awarded a new contract in Saudi Arabia, coupled with an improvement in the day rate. These new contracts will further enhance the company's asset utilization and overall financial performance. Moving forward, the company will diligently work to maintain an optimal utilization level, prioritizing safety and performance standards without any compromise.

some of the Joint venture rigs have been successfully extended for a duration of 2 years, accompanied by major enhancements in the day rates. The new day rates will come into effect upon the conclusion of the current contract tenor of each rig.

Aviation segment:

The Aviation segment continued to experience enhanced business performance due to increased flying hours within both domestic and international operations. Also, contributions from the MRO segment continue to support the segment's performance.

During Q2 2023, new medium-to-short term contracts have been awarded to cover diverse regions. The company have demonstrated its ability to establish and maintain a strong business relationship across multiple markets. This expansion will reinforce the aviation segment global reach and position Gulf Helicopters as a trusted partner in providing services in various countries.

Insurance segment:

The Insurance segment continued to achieve its primary objective of expanding its medical line of business and augmenting its market share by securing new medical contracts, resulting in enhanced premium growth. The performance of the segment's investment portfolio remained wavered due to volatilities in capital markets.

Group Financial Performance

Key financial performance indicators	1H-23	1H-22	Variance (%)
Revenue (QR' million)	1,712	1,457	+17%
Net profit (QR' million) ¹	281	137	+105%
EBITDA (QR' million)	581	366	+59%
Earnings per share (QR)	0.151	0.074	+105%

Note 1: Comparative figures for 1H-22 have been restated on account of adoption of IFRS 17 and other restatements

Group's revenue for the six-month period ended 30 June 2023 amounted to QR 1.7 billion, an increase of 17% compared to the same period of last year. Revenue growth from the aviation, drilling and insurance segments led to an overall increase in the Group revenue. Catering revenue of QR 216 million is presented separately as part of discontinued operations per IFRS 5 requirements.

Group reported an EBITDA of QR 581 million and recorded a net profit of QR 281 million for the six-month period ended 30 June 2023. The growth in Group revenues and hyperinflationary accounting in one of the overseas operations led to an overall increase in net earnings. On the other hand, the Group's direct costs increased by 9%, mainly linked to inclined commercial activity.

1H-23 Group's finance cost increased by 93% to reach QR 132 million, against a backdrop of higher interest rates and one-off loan amortization cost. However, amid concluding the refinancing deal, the second half of the year is expected to witness a decline in finance costs.

Financial Performance – Q2-23 vs Q1-23

Key financial performance indicators	Q2-23	Q1-23	Variance (%)
Revenue (QR' million)	875	837	+5%
Net profit (QR' million)	191	90	+112%
EBITDA (QR' million)	351	230	+53%
Earnings per share (QR)	0.103	0.049	+110%

Revenue for Q2-23 increased by 5% compared to Q1-23, mainly due to improved revenue reported from the aviation segment primarily driven by the growth in MRO and international segments.

¹ Last year net profit has been restated due to adoption of IFRS 17, resulting in reduction of profit by QR 33 million recognized within Al-Koot for the six-month period ended 30 June 2022.

Net profit for Q2-23 increased by 112% compared to Q1-23. Notable growth in Group's net profit was mainly supported by the growth in bottom-line profitability from the aviation and drilling segments.

Financial position

Key performance indicators	As at 30-Jun-23	As at 31-Dec-22	Variance (%)
Cash and short-term investments (QR' billion)	1.12	1.14	-2%
Total Assets (QR' billion)	10.0	10.0	0%
Total Debt (QR' billion)	4.38	4.37	0%

Note 1: Comparative figures for YE-22 have been restated on account of adoption of IFRS 17 and other restatements

Group's total assets remained flat and stood at QR 10 billion as at 30 June 2023 compared to previous year. Additionally, cash and short-term investments declined by 2% to reach QR 1.12 billion as of June 30 2023, compared to December 31, 2022. Notably, the groups' total debt stood at QR 4.38 billion as of June 30, 2023.

The recently concluded debt restructuring is expected to facilitate a gradual deleveraging, resulting in lower borrowing costs. This pivotal achievement in restructuring plays a significant role in realizing GIS' overall strategic repositioning and lays solid foundations for the Group's continued growth and prosperity.

Operational and financial performance highlights by segment

Drilling:

Key performance indicators	1H-23	1H-22	Variance (%)	Q2-23	Q1-23	Variance (%)
Revenue (QR' million)	666	632	+5%	328	337	-3%
Net profit / (loss) (QR' million)	(22)	(23)	+7%	1	(23)	+104%

Note: Segment earnings have been reported before impact of income taxes

The drilling segment reported a revenue of QR 666 million for the six months ended 30 June 2023, up by 5% compared to 1H-22. Revenue growth has been linked to new rig day rates implemented for one of the offshore rigs and higher utilization within the onshore fleet due to the deployment of GDI-8, which was off-contract during the previous year.

The segment incurred a net loss of QR 22 million for the six-month period ended 30 June 2023, as compared to a net loss of QR 23 million during the corresponding period last year. The reduction in losses can be primarily attributed to growth in segment's topline and enhanced financial performance from the joint venture with Seadrill. This was partially offset by increased finance costs resulting from higher interest cost and one-off loan amortization cost.

On a quarter-on-quarter basis, the company was able to report a profit of QR 1 million, compared to a net loss of QR 23 million in the previous quarter. The improved result was mainly due to lower operational costs and reversal of accrual associated to crew change expenses from the previous year.

Aviation:

Key performance indicators	1H-23	1H-22	Variance (%)	Q2-23	Q1-23	Variance (%)
Revenue (QR' million)	498	441	+13%	272	226	+20%
Net profit (QR' million)	229	170	+35%	147	82	+79%

Note 1: Segment earnings have been reported before impact of income taxes

Note 2: Comparative figures for 1H-22 have been restated on account of adoption of IAS 29 'Financial Reporting in Hyperinflationary Economies'

The Aviation segment reported a total revenue of QR 498 million for the six-month period ended 30 June 2023, reflecting a notable growth of 13% when compared to the corresponding period of the previous year.

This increase is attributed to increased flying activity observed in both the domestic and international operations. In terms of flying hours, the total flying hours experienced a year-on-year growth of 29%, the

domestic operation witnessed an increase of 17%, while international operation witnessed strong increase of 76%. The international segment predominantly driven by the Turkish subsidiary, which benefited from increased flying activities and greater number of aircrafts, as well as augmented flying hours in Angola and Libya operations.

Moreover, the MRO segment contributed positively to the financial performance through improved performance. The segmental net profit reached QR 229 million, representing an increase of 35% compared to 1H-22. This growth was mainly due to increase in revenue, higher finance income, lower losses from currency revaluation and positive inflationary impact in relation to IAS 29 adjustment.

The segment revenue for Q2-23 versus Q1-23 increased by 20%, mainly due to higher revenue from the Turkish subsidiary and additional revenue from the MRO segment. Q2-23 profitability also increased by 79%, mainly due to revenue growth.

Insurance:

Key performance indicators	1H-23	1H-22	Variance (%)	Q2-23	Q1-23	Variance (%)
Revenue (QR' million)	548	408	+34%	275	273	+1%
Net profit (QR' million)	63	1	+4,474%	29	35	-17%

Note 1: Segment profits have been reported before impact of income taxes

Note 2: Comparative figures for 1H-22 have been restated on account of adoption of IFRS 17. Revenue has been decreased by QR 12 million and net profit has been decreased by QR 33 million

Note 3: Investment income includes dividend income, capital gains, unrealized gain / loss on revaluation of held for trading investment securities and finance income.

Revenue within the insurance segment for the six-month period ended 30 June 2023 increased by 34% compared to 1H-22, reaching QR 548 million. The increase in revenue was mainly linked to winning new contracts within the medical line of business and the growth in premiums from the general line of business.

The segment net earnings increased significantly as compared to the corresponding period of the previous year, reaching QR 63 million. The growth in bottom line profitability was mainly supported by improved revenue coupled with strong recovery of the segment's investment portfolio, with an increase of QR 13 million (+161%) noted on account of investment income¹ for 1H-23 versus 1H-22. This increase was predominantly linked to the recovery in unrealized losses and gains booked on revaluation of held-for-trading investment securities, in addition to higher finance income on fixed deposits.

On quarter-on-quarter basis, the segment revenue for 2Q-23 increased marginally by 1%. However, segmental profitability for 2Q-23 declined by 17%, mainly due to higher net claims reported and lower investment income as compared to the previous quarter.

Catering:

Key performance indicators	1H-23	1H-22	Variance (%)	Q2-23	Q1-23	Variance (%)
Revenue (QR' million)	216	249	-13%	97	119	-19%
Net profit / (loss) (QR' million)	2	(5)	+141%	(3)	5	-158%

Note 1: Segment profits / (losses) have been reported before impact of income taxes

Note 2: Catering business (i.e., 100% Catering operations) has been classified as 'discontinued operations' under IFRS 5 and reported separately in the consolidated financial statements.

Note 3: Comparative figures for 1H-22 have been restated

The catering segment reported a revenue of QR 216 million, reflecting a reduction of 13% compared to the corresponding period of the previous year. The revenue reduction was mainly due to the completion of FIFA World Cup related contracts, non-renewal of certain contracts within the catering segment, and lower occupancy level experienced from the accommodation segment. However, the segment was able to reduce its losses and reported a net profit of QR 2 million for the six-month period ended 30 June 2023, compared to a net loss of QR 5 million for 1H-22. This improvement in profitability was mainly due to better margins on the back of lower manpower-related costs compared to last year.

On a quarter-on-quarter basis, segmental revenue witnessed a reduction by 19% compared to the previous quarter mainly due to lower revenue from the manpower segment. On the other hand, the segment reported a net loss of QR 3 million for 2Q-23.

Earnings Call

GIS will host an IR earnings call with investors to discuss its financial results, business outlook and other matters on Thursday, 17th August 2023, at 1:30 p.m. Doha time. The IR presentation accompanying the conference call will be posted on the 'financial information' page within the GIS website Investor Relations section.

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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. QatarEnergy (formerly known as 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@qatarenergy.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