GULF INTERNATIONAL SERVICES

2023

ANNUAL REPORT

الخليج الدولية للخدمات
Gulf International Services

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This annual report 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 facts are deemed to be forward-looking statements, being statements on 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.

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"A YEAR MARKED BY STRONG RECOVERY ACHIEVED THROUGH SOUND ASSET UTILIZATION, BETTER MARKET PENETRATION AND STRATEGIC REALIZATIONS LEADING TO A SUSTAINABLE VALUE CREATION."

MISSION

Gulf International Services (GIS) is committed to improve its quality of services, widen the services range and broaden its business across borders to help sustain profitable growth, adding value to its shareholders and satisfy its customer's expectations.

VISION

GIS aims to be a premier quality service provider mainly to the national and / or international oil and gas industry and other industries.

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His Highness

Sheikh Tamim bin Hamad Al Thani

The Amir of the State of Qatar

His Highness

Sheikh Hamad bin Khalifa Al Thani

The Father Amir

BOARD OF DIRECTORS

Sheikh Khalid Bin Khalifa Al-Thani
Chairman

Mr. Saad Rashid Al-Muhannadi
Vice Chairman

Mr. Ghanim Mohammed Al Kuwari
Board Member

Sheikh Jassim Bin Abdullah Al-Thani
Board Member

Mr. Ali Jaber Al-Marri
Board Member

Mr. Mohammed Nasser Al-Hajri
Board Member

Mr. Mohammed Ibrahim Al-Mohannadi
Board Member

"THE GROUP SHOWCASED STRONG GROWTH, CAPITALIZING ON STRATEGIC INITIATIVES TO FORTIFY ITS FUTURE RESILIENCE AND MAXIMIZE SHAREHOLDER VALUE"

LETTER FROM THE CHAIRMAN

Dear Shareholders,

Throughout 2023, the Group showcased remarkable growth in its business segments, capitalizing on a constructive macroeconomic environment and improved business performance.

Business review:

I am delighted to share that all our group companies have made remarkable progress, achieving robust results compared to the previous year. Specifically, in the drilling segment, Gulf Drilling International (GDI) implemented prudent financial management strategies. By strategically restructuring its existing debt, the drilling segment capitalized on this initiative that contributed to mitigate our finance cost exposure in the latter half of the year and in the future. This strategic initiative is set to enhance our financial flexibility and profitability, empowering the company to allocate more resources to its core operations, explore new avenues for growth and fortify its competitive standing. The successful debt restructuring demonstrates our unwavering commitment to financial resilience, positioning us favorably for future endeavors. Combined with improved asset utilization and successful contract renewals, this financial acumen played a pivotal role in the segment›s improved performance, underscoring our dedication to sustainable growth and value creation.

In the aviation segment, we saw enhanced business performance driven by increased flying activity from both the domestic and international segment in addition to contributions from our MRO business. Our insurance segment demonstrated commendable performance by strategically expanding its medical line of business and augmenting its market share by securing new medical contracts, resulting in enhanced premuims. Additionally, the catering segment, following the completion of the merger transaction, successfully captured added value for GIS, paving the way for our future growth ambitions. These achievements, among other strategic initiatives, have added a distinctive flavor to our overall success.

Strategic initiatives:

This year was characterized by significant strategic initiatives, most notably the successful completion of the Amwaj merger with Shaqab and Atyab. The newly formed entity has appointed a new CEO and a dedicated Board of Directors comprising representatives from all shareholders. This strategic move has been instrumental in repositioning Amwaj, paving the way for its future aspirations and growth avenues.

In addition, GDI was successful in completing the strategic debt restructuring agreement, a pivotal achievement that significantly enhances our financial standing. The restructuring, which includes a new long-term tenor of 25 years and a 35% balloon payment, offers substantial benefits to GIS.

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.

Our strategy going forward:

GIS is dedicated to a strategy aimed at maximizing value for our shareholders. Central to this approach is the utilization of our Group companies› competitive strengths, ensuring we leverage our unique abilities to their fullest extent. Additionally, we are actively seeking out and pursuing attractive opportunities to expand into complementary businesses and broadening our horizons strategically.

Concurrently, our commitment to achieving cost efficiencies remains unwavering. We continuously implement new optimization measures and further enhancing our already lean operations. Looking forward, our group companies are steadfast in their goal of maintaining market share. Simultaneously, we are focused on improving asset utilization and cultivating resilience to create enduring, long-term value for our shareholders.

Financial results

The Group delivered robust financial results in comparison to the previous year. Notably, the aviation segment recorded the highest net results since inception surpassing last year profitability records. Moving on to the drilling segment, which experienced a substantial recovery, reducing its losses compared to the previous year. Furthermore, the insurance segment displayed significant improvement in bottom-line profitability compared to previous years. In a strategic move, the catering segment further increased its profitability following the recent merger with Shaqab and Atyab, leveraging this partnership to emerge as a local champion in its sector.

In summary, the Group achieved a net profit of QR 392 million for the fiscal year ending on 31 December 2023, with the Group›s total assets amounting to QR 10.4 billion as of the same date. These achievements reflect our dedication to strategic growth and financial stability, positioning us favorably for the future.

Creating future shareholder value

Since the initial public offering in February 2008 through 2022, the Group›s shareholders have received accumulated cash dividends totaling approximately QR 2.8 billion, reflecting an average payout ratio of approximately 52%. Additionally, shareholders have benefited from three bonus issuances, receiving a total of 63 million additional shares since the company›s inception.

As we concluded the year on a strong note, propelled by favorable industry dynamics and strategic achievements, and with a positive outlook for our businesses. Therefore, after taking into account the Group's operating, investing and financing needs, the Board of Directors is pleased to recommend a total dividend distribution of ~ QR 279 million for the year ended 31 December 2023, equivalent to QR 0.15 per share, representing 15% of the nominal share value.

Conclusion

To conclude, my sincere gratitude and appreciation to His Highness Sheikh Tamim Bin Hamad Al-Thani, the Amir of the State of Qatar, for his inspired leadership, unwavering efforts and continued support and guidance. As a proud Qatari company, GIS is fully committed to supporting Qatar's 2030 national vision.

Finally, I want to thank all our shareholders for their continued trust and support. We will do our best to create value for our shareholders and achieve GIS goals and we expect that all our stakeholders will support these efforts with their fullest cooperation to execute our future plans.

BOARD OF DIRECTOR'S REVIEW

"HIGHLIGHTING THE GROUP'S REMARKABLE GROWTH, EACH SEGMENT CONTINUED TO EXCEL IN THEIR CORE COMPETENCIES REINFORCING OUR COMMITMENT TO EXCELLENCE."

The Board of Directors is pleased to present its annual review of the financial and operational performance of Gulf International Services for the financial year 2023.

Macroeconomic overview

In the dynamic landscape of the oil and gas services industry, the sector›s trajectory remains intricately linked to the fluctuations in oil prices and the industry›s broader expansion, driven by substantial capital investments. Throughout the year, the industry was marked by optimism, with producers eagerly eyeing strategic expansions, particularly in the region. This prevailing enthusiasm not only reflects the industry›s positive sentiment but also underscores promising growth prospects for the oil & gas services sector. This collective drive for expansion underpins the sector›s resilience, making it poised for a robust future.

Business and Market Expansion Updates

Drilling business

In the drilling segment, positive developments persisted due to the implementation of improved day-rates for two of the offshore rigs in addition to the successful redeployment of specific on-shore rigs that were previously off-contract which helped boost the overall rig utilization, However, these gains were partially offset due to the planned maintenance of two offshore rigs, a necessary step in ensuring their continued optimal performance and operations. Throughout the year, the segment achieved successful contract renewals for various offshore rigs, including the sea drill joint venture, securing extensions ranging from 2 to 3 years. These renewals will not only enhance the segment›s financial outlook but also will strengthen its long-term stability.

Furthermore, the segment continued its international presence by securing the extension of its liftboat contract in KSA. further enhancing asset utilization rates and building international footprints for the segment.

Aviation business

The aviation segment witnessed an increase in business performance, directly correlated with increased flying activities on both domestic and international fronts. Furthermore, the segment benefitted from contributions from MRO (Maintenance, Repair, and Overhaul). These key drivers propelled the segment›s overall performance, showcasing our unwavering dedication to operational excellence and strategic positioning in the global aviation market.

Throughout the year, GHC excelled in securing several new medium-to-short term contracts across various regions. This accomplishment underscores our ability to build and maintain robust business alliances in diverse markets. This expansion further solidifies our global footprint within the aviation industry, establishing Gulf Helicopters as a trustworthy partner in delivering services globally.

Insurance business

The insurance segment›s robust performance is underpinned by its expansion in the medical line of business, focusing on contracts with higher premiums and lower claims. Moreover, proactive measures are being taken to explore fresh opportunities within the domestic retail and SME markets. Concurrently, the segment›s investment portfolio demonstrated growth, aligning with the favorable trends observed in our overall investment portfolio. Furthermore, Al-Koot is actively and carefully participating in the recently implemented mandatory health insurance scheme mandated by the government.

Catering business

The catering segment witnessed an improved set of results, driven by the successful merger of Amwaj with Shaqab and Atyab. This strategic move has not only created a national champion in catering but has also positioned the combined entity as the go-to player for all large-scale catering and industrial accommodation needs in Qatar and potentially the wider region.

In line with our announcement on 21st September 2023 and the Extra-Ordinary General Assembly approval on 13th March 2023, the new strategic shareholders of Amwaj, in collaboration with GIS, have officially set the merger›s economic effective date as 1st January 2023. The board diligently executed the merger, dissolving the previous board of Amwaj and appointed new board members from respective shareholders. Furthermore, a CEO was appointed for the newly merged entity, bringing together top-tier management and industry expertise under one roof. This strategic restructure will significantly boost our operational efficiency and further position us to be a leading player in the catering industry.

Our strategy going forward

GIS is strategically expanding its market presence in Qatar and international markets as applicable for each segment. Additionally, GIS is dedicated to strategically repositioning its core businesses by ensuring ongoing cost efficiencies and optimizing asset utilization. These initiatives empower our segments to maximize their domestic and international strengths, aiming to create significant shareholder value. In addition, the Group intends to strategically build new revenue streams by capitalizing on opportunities associated with Qatar's North Field expansion.

Achieving cost efficiencies and asset utilization

The optimization of costs and resources stands as a core objective for our Group companies, reflecting our commitment to transforming into leaner and highly efficient entities. Striving for stringent cost discipline, our entities are engaged in a continuous journey towards enhanced efficiency.

In terms of asset utilization, our Group companies place a strong emphasis on maximizing asset utilization while upholding the highest standards of quality and safety. In the drilling segment, contract rig utilization reached 95%, showcasing our dedication to optimal operational efficiency. Similarly, within the aviation segment, there was a notable improvement in total fleet flying hours by 20%, indicating increased flying activity in both domestic and international operations. These achievements underscore our unwavering focus on operational excellence.

Financial results

The Group posted a net profit of QR 392 million, up by 26% compared to last year. The Group's total revenue for the year ended 31 December 2023 improved by 17% compared to 2022 and amounted to QR 3.5 billion for the year ended 31 December 2023, compared to QR 3 billion for last year. For the year ended 31 December 2023, the Group reported an EBITDA of QR 900 million.

The profitability mainly improved on account of better results from all the segments. The drilling segment witnessed recovery on account of higher rig rates and improved asset utilization. While the aviation segment benefited from stronger flying activity, coupled with better contributions from the MRO business. Within the insurance segment, improved results were mainly supported by higher revenue coupled with recovery of investment portfolio.

The Group's total assets increased by 3% during the year, to reach QR 10.4 billion as at 31 December 2023. On the liquidity front, the closing cash, including short-term investments, stood at QR 1.3 billion. The Group reported a total debt of QR 4.4 billion as at 31 December 2023.

GDI Loan Restructure:

The successful completion of the debt restructuring deal with our lenders represents a significant achievement for GDI. With a new long-term tenor of 25 years and a 35% balloon, this restructuring will allow GDI to gradually reduce its financial obligations over the debt tenor. This accomplishment marks a major milestone in our efforts to enhance the company›s financial position, providing increased flexibility, improved liquidity, and opportunities for strategic investments. Moreover, it results in immediate cost savings on borrowing, enabling GDI to better navigate macroeconomic volatility.

This achievement underscores the substantial progress made in our financial and operational turnaround objectives, emphasizing our dedication to strengthening the Group›s balance sheet and maximizing enterprise value.

Dividends

Given a strong recovery in terms of the Group's financial performance, the Board of Directors recommends a total annual dividend distribution of QR 279 million for the year ended 31 December 2023, equivalent to QR 0.15 per share and representing 71% of the Group's net profits.

Conclusion

The Board of Directors expresses its gratitude to His Highness Sheikh Tamim bin Hamad Al Thani, the Amir of the State of Qatar, for his wise guidance and strategic vision. We also express our gratitude to GIS clients for their unwavering trust and confidence, as well as the senior management of the Group companies for their relentless dedication and hard work. Additionally, we extend our thanks to our esteemed shareholders for their continued trust and confidence in us.

BOARD OF DIRECTORS' SEGMENTS REVIEW

Drilling

Strategy

Gulf Drilling International (GDI) is committed to providing safe, efficient, and environmentally sound drilling services, while contributing to Qatar's local content initiatives. The organization's ability to consistently meet these commitments has positioned it as a trusted partner of its clients. Accordingly, GDI met its strategic target by securing contracts for all of its rigs and liftboats.

Looking ahead, GDI will concentrate on operational execution of its robust contract backlog. The organization will also continue to evaluate opportunities to acquire assets and expand its fleet. Any fleet expansion will align with GDI's commitment on capital discipline and generation of shareholder returns.

Industry updates

In 2023, the demand for drilling services in the Middle East underwent material expansion. This led to significant number of jack-up rigs either being enroute or having repositioned to the region. The industry consensus is that the demand for offshore rigs will remain strong in 2024.

The robust demand for offshore drilling rigs and limited availability of units have led to a shift in contract dynamics, favoring rig owners with more favorable terms. The imbalance in supply compared to jack-up demand is continuing to persist.

In contrast to previous upcycles, there has been shortage in the offshore rig constructions. This can be attributed to drilling contractors and shipyards reduced appetite to build on speculation. As a result, the global supply of offshore rigs is constrained, exerting additional pressure on rig availability.

Throughout 2023, the onshore drilling market in the region witnessed uptick in demand, reaching new heights for contracted rigs. If the ongoing plans to expand oil and gas operations within our region materialize as intended, this trend is likely to sustain additional demand in the upcoming periods.

In the liftboat sector, the demand has been robust throughout the year, driven by offshore construction projects in the region, resulting in record contracting activity. This has prompted an increased client appetite to award multi-year contracts, a departure from the historical trend in the liftboat industry, which has been predominantly driven by spot market hires.

Key achievements in 2023

Offshore Rig Segment:

GDI successfully renewed four rig contracts operating through Gulfdrill, reflecting favorable market conditions and securing an average two-year extension. These renewals not only contribute to GDI›s enhanced financial performance but also strengthen its key client partnerships.

Les-Hat Contract:

A major accomplishment was the award of a new Les-Hat contract, securing a firm two-year agreement with potential extensions. This achievement underscores GDI›s adaptability and unwavering commitment to fostering long-term client relationships.

Onshore Operations:

GDI-4, previously idle since 2020, saw a revitalization with the newly awarded two-year contract, inclusive of options for further extensions. The reactivation of GDI-4 positions the company for revenue growth in the future, showcasing resilience and operational efficiency.

Liftboat Segment:

The liftboat segment demonstrated strong performance, with the Rumailah completing a successful campaign in the Maldives followed by a short-term project with QPD. Subsequently, it secured a multi-year contract expected to commence in the next year, further solidifying GDI›s presence in this sector.

Competitive strengths

The drilling segment within GIS has emerged as a key player in the oil and gas drilling services sector in Qatar. We not only lead the on-shore drilling services industry but also command a dominant share of the off-shore drilling services market within Qatari waters. Our extensive expertise extends to the management of drilling rigs, cultivated through strategic collaborations with major players in the oil and gas exploration domain.

Additionally, Gulf Drilling International (GDI) operates the largest fleet of its kind in Qatar, a distinction that sets us apart from any local competitor in terms of fleet size. This significant fleet size affords GDI substantial economies of scale, allowing us to offer drilling services at a highly competitive cost.

Key HSE realizations

GDI has always put a strong emphasis on safety measures and continuous efforts to prevent incidents companywide. The company works relentlessly to strengthen safety and improve quality and operational efficiency.

In 2023, under QatarEnergy LNG recognition program, our rig West Telesto was awarded as the «HSE Rig of the Quarter Q3 2023.» Additionally, GDI received the Best HSE Initiative award from the IADC Southern Arabian Peninsula Chapter for its procedures self-verification and improvement initiative. During the same period, GDI successfully completed the summer without any heat stress incidents.

No major incidents were reported, apart from an incident of minor nature. The incident was appropriately investigated, where causes were identified, and SMART corrective actions were implemented to avoid the reoccurrence in the future.

GDI has conducted critical vendors HSEMS/IMS audits both internationally (UAE & Oman) and local vendors based in Doha, Qatar. Key areas of improvements were identified, and actions assigned for compliance to further rectify and improve the processes.

Achieving cost efficiencies

GDI is unwavering in its commitment to effective cost optimization, a longstanding priority deeply ingrained in the company›s culture. With notable improvements in asset utilization and day-rates contributing to business growth, the segment is resolute in maintaining lean operating costs.

GDI sees cost optimization as an ongoing practice, rather than a one-time effort, which remains a key focus for the company. This approach is essential for enhancing financial flexibility, positioning the organization to seize growth opportunities, and fortify its ability to navigate industry downturns. Emphasizing the importance of minimizing downtime and adhering to preventive maintenance KPIs, GDI recognizes that these strategies are pivotal in achieving operational efficiency and sustaining cost optimization initiatives throughout the year.

Asset utilization

In the last quarter of 2023, GDI›s fleet achieved 100% contract utilization, marking a substantial increase from the prior periods. Throughout the year, GDI achieved 95% contract utilization, which is higher than last year, despite being partially offset due to planned maintenance of two rigs, ensuring the operational continuity of our assets. This robust utilization stands as a testament to our clients› confidence in GDI›s ability to execute their drilling programs safely and efficiently.

In 2023, GDI›s onshore drilling division played a pivotal role in improving fleet utilization, with successful mobilization of GDI-4 and GDI-8. Additionally, GDI›s offshore drilling division maintained high utilization, securing contract extensions for four jack-up rigs during the year. Notably, both RUMAILAH and AL-SAFLIYA were awarded multi-year contracts in 2023, further contributing to strong utilization prospects moving forward.

Financial performance

The segment reported a revenue of QR 1.3 billion for the year ended 31 December 2023, up by 3% compared to last year. This uptick can be attributed to enhanced utilization and higher day rate, partially offset by five yearly planned maintenance days for Les-Hat and Al Jassra rigs.

The segment reported a net loss of QR 38 million, compared to a net loss of QR 90 million last year. The enhanced profitability of the segment can be primarily attributed to increased revenues, improved rig utilization, and a higher share of profit from joint ventures

Specific updates on Gulfdrill JV

In 2023, four rigs operating under the Gulfdrill joint venture received multi-year extensions, with average extension of 2 years, at rates which reflect improvement in market conditions. This would provide additional assurance for future revenue of this segment.

Throughout the year, the joint venture (JV) disclosed revenues amounting to QR 742 million, a notable increase compared to the QR 711 million reported in the previous year. The improved revenue figures were a consequence of a higher day rate. Correspondingly, the JV experienced an enhancement in bottom-line profitability, achieving a net profit of QR 36 million for the financial year 2023, a significant improvement from the net profit of QR 33 million reported for the year ending December 31, 2022.

Outlook

Entering 2024, GDI›s fleet is poised for higher utilization, mindful of the cyclical nature of the industry and oil price volatility. The company will actively pursue improved commercial terms during contract extensions, prioritizing strong client relationships.

In light of the current market conditions, subject to fluctuations based on industry dynamics, there exists potential for enhancing contractual terms and increasing revenue security. The impact of these improved commercial terms will manifest in the organization›s financial performance as contracts executed in a softer market phase out.

GDI›s proven track record of delivering safe, reliable, and efficient drilling operations, coupled with the advantages of economies of scale in Qatar, positions the company to leverage market cycles effectively.

Aviation

Strategy

The business strategy for the Aviation services segment has been mainly built on expanding markets domestically and growing international footprints with a focus on MENA and Africa. The strategy also targets growing GHC fleet to meet anticipated growth, while upgrading the existing fleet to retain customer base with most advanced aircrafts, and growing maintenance, repairs and overhaul activities.

Industry updates

During the year, GHC experienced an increase in demand for helicopters in support of offshore oil and gas services from both domestic and international markets as we continue to see positive signs of recovery with constructive macroeconomic drivers.

Aviation services revenue primarily generates from transporting personnel to, from and between offshore drilling rigs, which continue to be a significant segment of the global offshore oil & gas market and are generally underwritten by the energy companies using relatively conservative assumptions relating to oil and gas prices.

The after impact of COVID-19 is being seen in the supply chain and logistics, with an increased lead time for spare parts supply from the helicopter OEM, which is posing as a challenge to the anticipated growth.

Key achievements

GHC efficiently utilized its available fleet during the year, while preserving its presence in the international markets. GHC was successful to secure extension for existing contracts that expired during the year and in addition, GHC was awarded new contracts for short to medium term duration to support drilling activities in the Middle East and North Africa region.

GHC has continued to look beyond its core business segments and served on third party maintenance service contracts with domestic and international customers awarded last year and successfully carried forward to this year.

During the year, Gulf Helicopters Company has won the Operator Safety Award for accomplishing accident and violation free operation for the year 2022 from Helicopter Association International.

During the year, GHC's Subsidiary in Turkey, Redstar Aviation (RSA), was awarded as "Air Ambulance Company of the Year" by the International Travel & Health Insurance Journal (ITIJ). The ITIJ awards companies on their extraordinary efforts across all sectors of the travel and health insurance industry and are designed to recognize companies that are demonstrating resilience in the face of adversity, innovation during challenging times, and leadership through best practice.

Redstar Aviation has also won the Outstanding Service - Air Ambulance award which was presented during the Aviation Achievement Awards 2023 which took place in Dubai, UAE on the 28th of February 2023.

Competitive strengths

Gulf Helicopters Company (GHC) has a strong profile and is well-recognized by major oil & gas companies. The company is well known in the international helicopter services industry because of GHC's fleet size, technical capabilities, safety, and quality standards. Gulf Helicopters' fleet of offshore helicopters is made up of modern generation helicopter types; including AW139 and AW189; which are popular and widely used for offshore transportation in Qatar, and internationally as well. The company owns a fleet of helicopters, which gives it an added advantage in terms of flexibility and more reliable control of helicopters supply. GHC also continues to build up its in-house MRO capabilities and has managed to add third party clients. Contribution of MRO towards the overall business has improved over the years, largely due to various activities including repair & overhaul and manpower support, also the development of additional in-house capabilities such as blade shop, bottle shop and dynamic shop has improved the revenue generation.

GHC's team is amongst the most experienced and highly skilled aviation professionals. The company intends to utilize its fleet and skilled professionals to deliver flexible and reliable solutions that are increasingly important to customers.

Market expansion updates

During the year, GHC managed to secure an extension of contracts in Qatar and international markets. In addition, GHC was awarded new contracts for short to medium term duration to support drilling activities in the Middle East and North Africa region.

Domestically, GHC has been granted six months extension to its existing contract for VVIP transport. In addition, as previously announced, an aircraft acquisition contract is signed with a well-known supplier to supply 5 helicopters with an option to add 5 more additional helicopters in a step to upgrade the existing fleet. As per the contract, the delivery timeline of helicopters will be between 2024 to 2029.

Going forward, the objective remains centered around the growth of core aviation operations, as well as, building MRO business where the segment is currently looking for opportunities in various markets as part of its international expansion strategy.

Key HSE realizations

GHC maintained Incident-Free Year in 2023, with no major incidents or accidents. This highlights our commitment to ensuring the safety and well-being of our employees and the environment. As part of the ongoing commitment to environmental sustainability, GHC successfully implemented the ISO 14001:2015 standard in 2023. This standard has been integrated into operations to enhance environmental management system and improve environmental performance.

Looking ahead to 2024, GHC is aiming to further strengthen its environmental commitment by pursuing certification for ISO 14001. This demonstrates dedication to environmental responsibility and sustainable practices.

Building on the successes of the previous year, GHC continued to foster a culture of safety, health, and environmental awareness. This sustained focus on HSE regulations and procedures contributed to our consistent HSE performance throughout the year.

Achieving cost efficiencies

During 2023, GHC continued its cost optimization targets without compromising the quality and safety of operations. Controllable expenditures were closely monitored to ensure that costs were fully optimized, and profitability is sustained at an optimal level, with an intent of creating shareholder value. Going forward, GHC will continue to review its fleet and operations, which could create opportunities to further reduce operating costs. GHC will continue to review its operating models, manpower planning, efficiency of aircrafts and reviewing all other value adding and non-value adding activities.

Asset utilization

During the year, AW139 and AW189 fleets were actively deployed on contracts. GHC also added a new type of helicopter to its Fleet (AS350), which allowed us to directly provide services to the Formula 1 Motor show, which was outsourced to a foreign provider during the previous year.

On overall basis, including both domestic and international operations, a growth was noted in flying hours utilization of the Fleet for the financial year 2023.

Management of segment's fleet involves a careful evaluation of the expected demand for helicopter services in target market. GHC is in the continuous journey of enhancing and upgrading its current fleet to ensure retention of its existing customers and to maintain a core fleet that has the latest aircraft technology.

Financial performance

GHC continues to deliver strong financial performance despite the adverse impact of global political and economic conditions. The aviation segment reported total revenue of QR 1,035 million for the year ended 31 December 2023, up by 13% compared to last year. The increase was mainly attributed to higher flying hours recorded within both domestic and international operations especially Turkey and Angola. Furthermore, growth was observed in the Maintenance, Repair, and Overhaul (MRO) business segment, which contributed positively to the overall increase.

The segment net profit, reached QR 343 million, representing an increase of 1% compared to last year, mainly on account of revenue growth and higher finance income, Bottom line profitability was mainly impacted by net monetary losses arising from the accounting impact of hyperinflation from GHC's Turkish subsidiary as compared to positive impact in the previous year. This year GHC recorded its highest-ever net profits since its inception.

Insurance

Strategy

The key strategy for the insurance segment is mainly to promote both the medical and energy line of business through building up premiums by reaching new clients, within or outside the Oil and Gas sector and capitalizing on the opportunities presented by government projects across various sectors.

Achieving growth driven by volume and pricing improvement of new and renewal contracts with existing clients remains central to the segment's strategy. Other key strategies include implementing effective claims management policies & procedures and diversification of the investment portfolio, coupled with strategic re-allocation of investable assets to support the overall profitability of the segment and to ensure a strong liquidity position.

Key achievements

The energy segment obtained the highest share allocation on QatarEnergy and its group companies via the Local Insurance Sharing Protocol (LISP). This is in recognition of Alkoot strength and capabilities compared to other local insurance companies.

Furthermore, despite the delay in the full swing implementation of the Mandatory Health Insurance for expatriates, significant growth was achieved through new clients won in the medical insurance line of business. Al-Koot is considered now one of the leading medical insurance providers in Qatar.

Investments management contributed positively to the overall profitability of Al-Koot despite of the global market decline through effective asset allocation which resulted to better returns.

Al-Koot was able to retain its certification of ISO 9001-2015. The insurance segment has also maintained its credit rating of A- (S&P) with a stable outlook.

Market expansion updates

The expansion strategies for the segment primarily revolved around the energy and medical sectors. In the local energy business, the focus was on enhancing existing strength by retaining long-term major contracts, acquiring new clients, and increasing allocation in the local insurance sharing protocol. Simultaneously, international growth in the energy sector across various regions was identified as crucial for expanding international footprints. The medical line of business aimed to reinforce its position as a major medical insurance provider by acquiring new major business and expanding portfolios in small and medium enterprises.

In the fiscal years 2022-2023, the general insurance line of business emphasized market penetration, extending its offerings to a larger number of clients both locally and internationally. Since 2019, the segment strategically broadened its territorial scope and focused on building strong relationships with brokers and clients. This strategic approach during a tighter market cycle resulted in lasting partnerships with clients, brokers, and reinsurers. These partnerships were sustained by the quality of service and insurance solutions, positioning the segment to continue offering high-quality services even in a softer market or amidst the emergence of new players.

Conversely, the medical insurance line of business concentrated on implementing the State of Qatar health insurance scheme in two phases. The first phase involved mandatory travel insurance for all visitors, which has been successfully launched in February 2023. Al-Koot is listed as one of the approved insurance companies for the scheme on the website of MOPH and processes policies for this product on daily basis. The second phase aimed at mandatory insurance for all expatriates, which proved profitable during the regional implementation. AlKoot is in final stages of system enhancements in line with government requirements. Extensive operational discussions with MOPH are underway and AlKoot is awaiting further instructions/updates from the government for launch of this scheme.

Looking ahead, the insurance segment is determined to increase market share by introducing new product lines, in both commercial and retail businesses, coupled with an unwavering commitment to outstanding service quality.

Achieving cost efficiencies

Al-Koot directed its efforts towards specific objectives aimed at achieving optimal cost efficiency throughout the year. Firstly, a reinsurance program was implemented to minimize claim exposure in both medical and general lines of businesses. Secondly, the company intensified its focus on the claim's validation process, conducting audits to ensure accuracy. Lastly, rigorous processes, accompanied by thorough negotiations, were undertaken in the supplier selection process to deliver the same quality of services at the lowest possible cost.

Throughout the year, the segment effectively managed to control its claim expenses at the segmental level relative to premium growth. Looking ahead, the segment remains committed to identifying and optimizing additional expenses without adversely affecting its business operations.

Financial performance

Revenue within the insurance segment for the year ended 31 December 2023, increased by 33% as compared to last year, to reach QR 1.1 billion. The increase in revenue was mainly due to growth in premiums from both general and medical insurance line of business, The notable increase in revenue was mainly linked to the acquisition of new contracts in the medical line of business and the expansion of premiums in the general line of business.

In addition, the segment net earnings increased by 52% as compared to last year, to reach QR 103 million. The growth in bottom line profitability can be primarily attributed to an augmented revenue stream, coupled with the robust investment income.

Investments managed to positively contribute to the overall profitability of Al-Koot despite of the global market decline through effective asset allocation which resulted to better profitability.

Catering:

Strategy

We will expand our market share increasingly, by remaining firmly focused on growing our number of customers while building upon our strong market recognition and branding.

Market expansion as a core strategy of our catering Business

We are working toward reaping the benefits of the announced merger and synergies that will be created with a focus on value creation for our stakeholders. Progressively, we will work towards integrating the 3 companies' operations through leveraging on improved workflow efficiencies and procurement economies of scale to maximize the potential and returns and consequently accelerating the Group's growth strategy.

Achieving cost efficiencies

Being one of the largest domestic players in the industrial catering, our scale in procurement and focus on cost efficiencies will give us competitive advantages that translate into greater value for our clients. While there are global inflationary pressures and macroeconomic uncertainties, we have a resilient and flexible business model to help mitigate these challenges. We have a clear strategy to capture this growth opportunity based on our scale and expertise.

GIS GROUP AT A GLANCE

Overview,

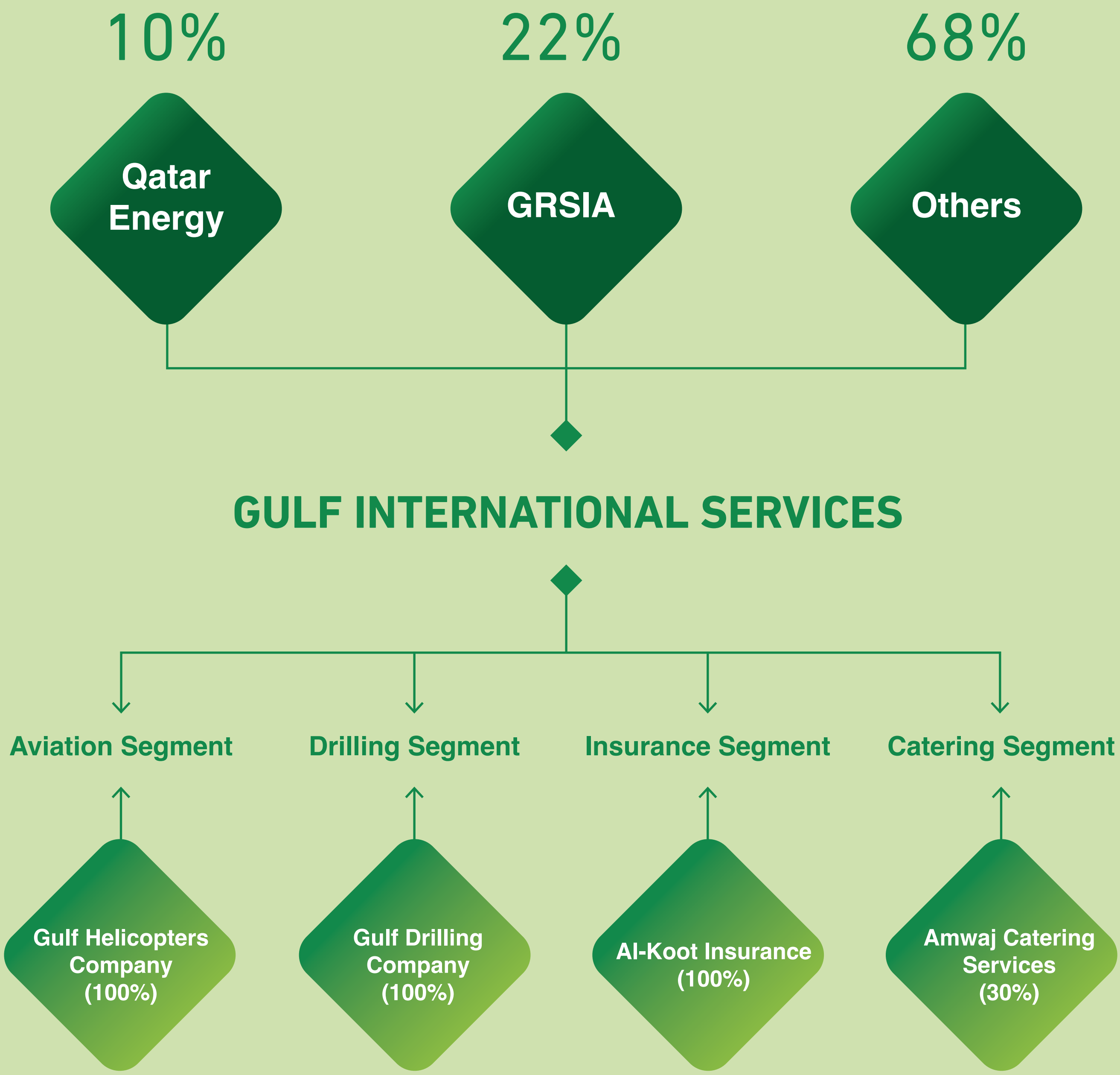
Gulf International Services, a Qatari public shareholding company listed on the Qatar Stock Exchange, was established on February 12, 2008 in accordance with the provisions of its Articles of Association and Law no. 5 of 2002, promulgating the Commercial Companies Law, especially Article 68 thereof. 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 its Group companies, GIS operates in four distinct segments: insurance and reinsurance, drilling and associated services, helicopter transportation services and catering services.

Head Office Functions and Management Structure

QatarEnergy provides all of the head office functions for GIS through a comprehensive services agreement. The operations of the subsidiaries remain independently managed by their respective Boards of Directors and senior management teams.

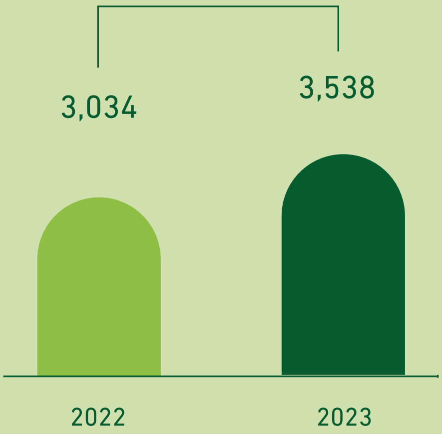
OWNERSHIP STRUCTURE



2023 GIS Performance

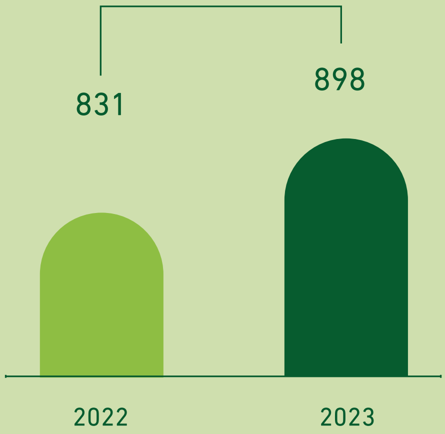
Revenue (QR' Million)

+17%



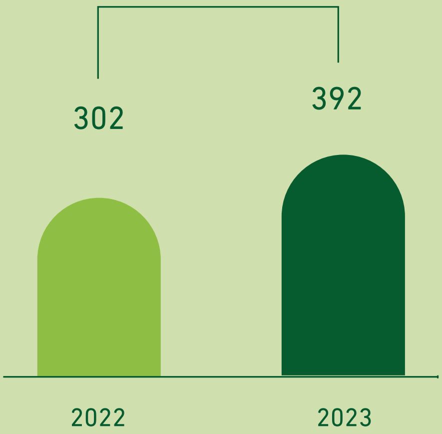
EBITDA (QR' Million)

-8%



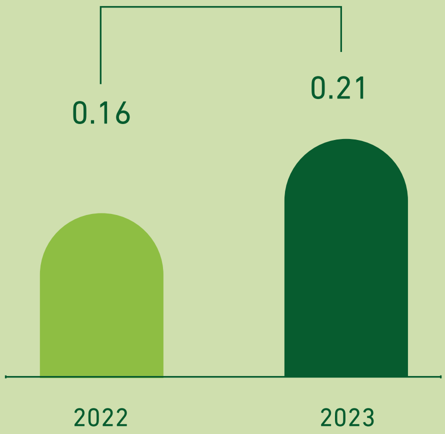
Net profit (QR' Million)

+30%



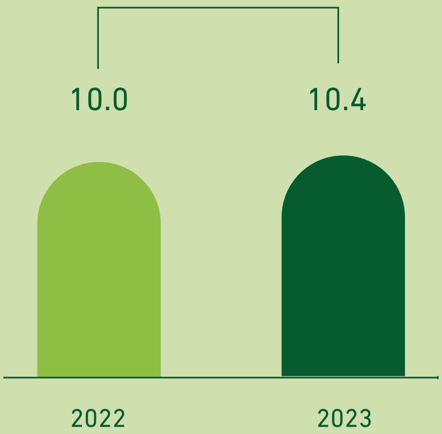
Earings per share (QR)

+30%



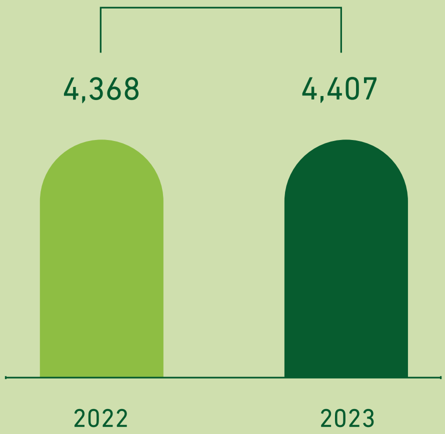
Total Assets (QR' Billion)

+3%



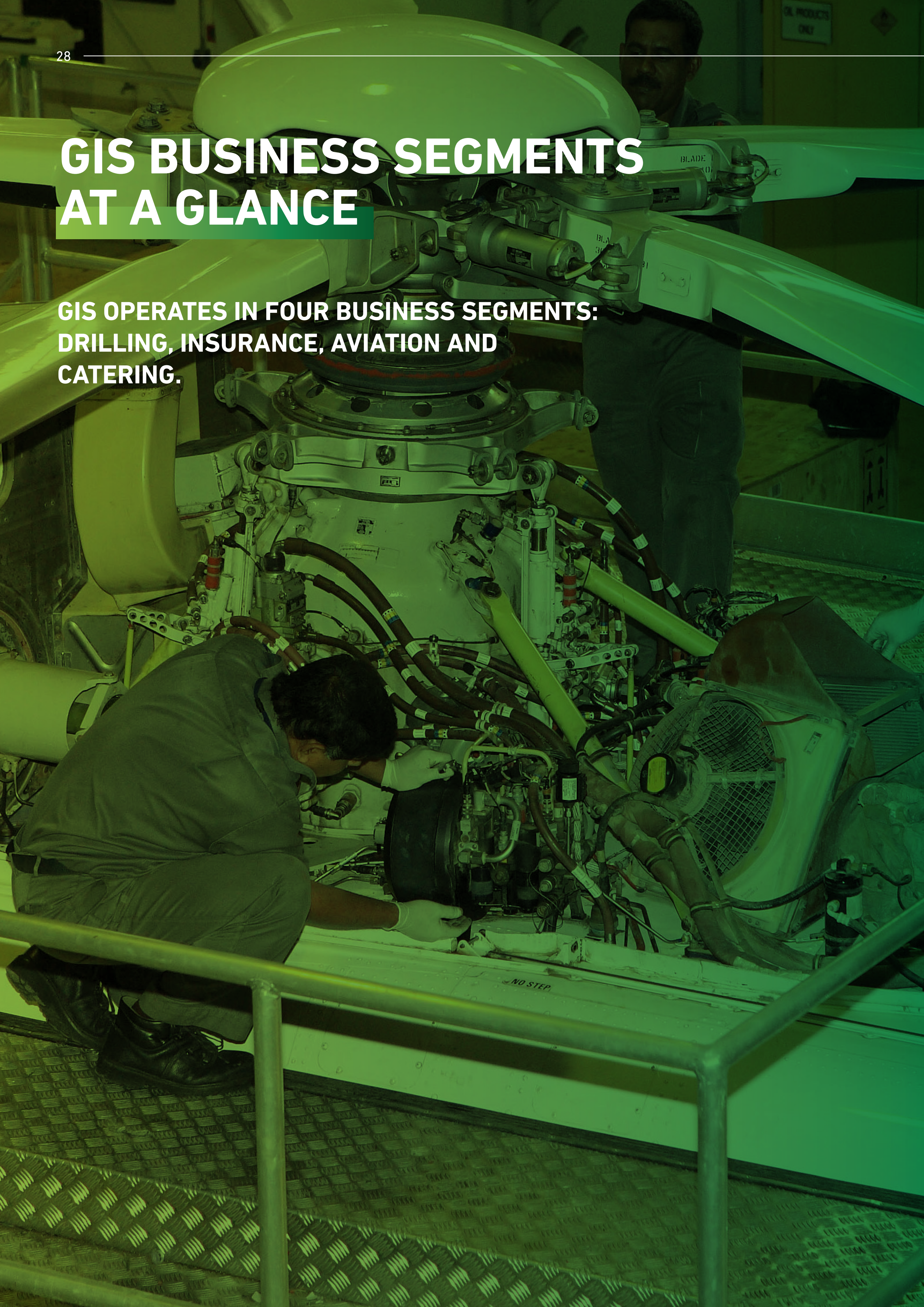
Total Debt (QR' Million)

+1%



GIS BUSINESS SEGMENTS AT A GLANCE

GIS OPERATES IN FOUR BUSINESS SEGMENTS: DRILLING, INSURANCE, AVIATION AND CATERING.



Drilling

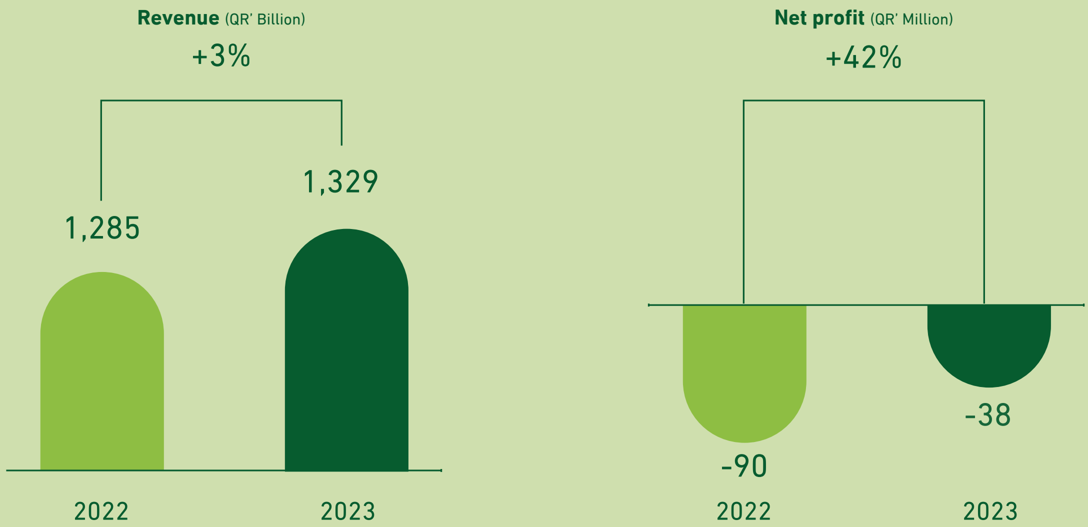
Gulf Drilling International ("GDI")

GDI was incorporated in 2004 as a joint venture between QatarEnergy (60%) and Japan Drilling Company (40%). Subsequent to exercising a share option provision within the joint venture agreement, QatarEnergy increased its stake to 69.99% and then transferred this shareholding to GIS. With effect from May 1, 2014, GIS exercised an option in the joint venture agreement and acquired the remaining 30% of GDI, resulting in GDI becoming a wholly-owned subsidiary of GIS.

GDI currently has direct ownership of 14 drilling rigs (7 offshore rigs and 7 onshore rigs), which are used to drill wells suitable for oil and natural gas extraction, 1 jack-up accommodation barge and 2 lift boats.

GDI in joint venture with Sea Drill Limited, has formed "GulfDrill LLC" with a 50% stake, with an objective to support the execution of the drilling contract which have been awarded to GDI in relation to North Field Expansion project. The contract cover provision of five premium jack-up rigs, where the operations for all the rigs had already started in different phases in 2020 and 2021. As part of the agreement, the joint venture will source the rigs from Sea Drill and an unrelated third-party shipyard, on chartering basis (operating lease), where the JV will pay the supplier of rigs based on an agreed day rate. GDI has no required capital contribution to the joint venture and has been subcontracted by the joint venture to mobilize and manage the rigs to meet the requirements of the drilling contract.

Drilling segment financial performance for 2023



Aviation

Gulf Helicopters Company ("GHC")

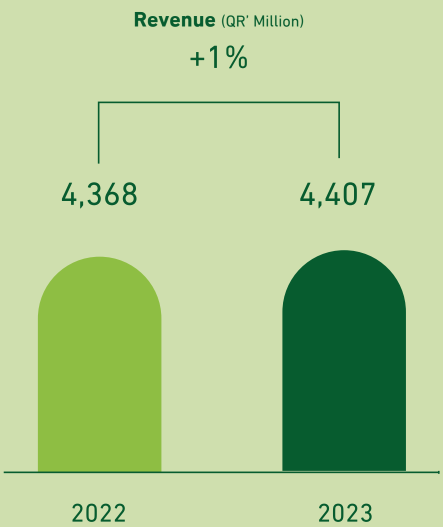
Originally incorporated in 1970 under the name of Gulf Helicopters Limited as a subsidiary of British Overseas Airways Corporation, the company was subsequently acquired by Gulf Air, and then sold to QatarEnergy in 1998. QatarEnergy transferred its 100% shareholding to GIS in 2008. GHC provides helicopter transportation services in Qatar, Gulf Region, Africa, Europe, India and Turkey.

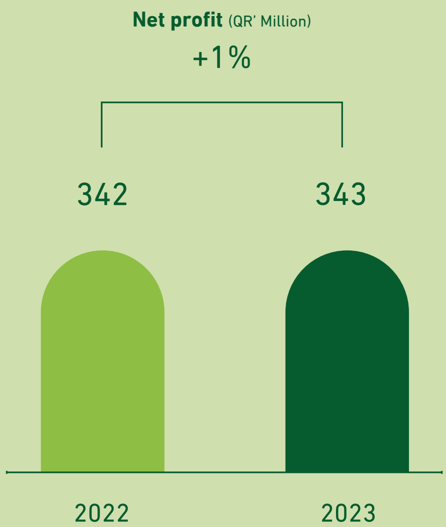
GHC is one of the leading commercial aviation service provider, with global footprints extending to Europe, Africa, Middle East and South Asia with a fleet of 62 aircrafts. GHC's core operational activities consist of a variety of helicopter transportation services, including offshore / onshore transporting, long and short-line load lifting, seismic support, VIP executive transport, and ad-hoc short-term contracts, simulator training and component maintenance.

GHC holds direct / indirect ownership in the following companies in various international locations:

Name of Company	Relationship	Country of Incorporation	Percentage of Holding 2023	Percentage of Holding 2022
Air Ocean Maroc	Joint venture	Morocco	49%	49%
United Helicharters Private Limited	Subsidiary	India	90%	90%
Gulf Helicopters Investment Leasing Company	Subsidiary	Morocco	100%	100%
Al Maha Aviation Company	Subsidiary	Libya	100%	100%
Redstar Havacilik Hizmetleri A.S.	Subsidiary	Turkey	100%	100%
Gulf Helicopters Investment & Leasing Company	Subsidiary	Morocco	100%	100%

Aviation segment financial performance for 2023



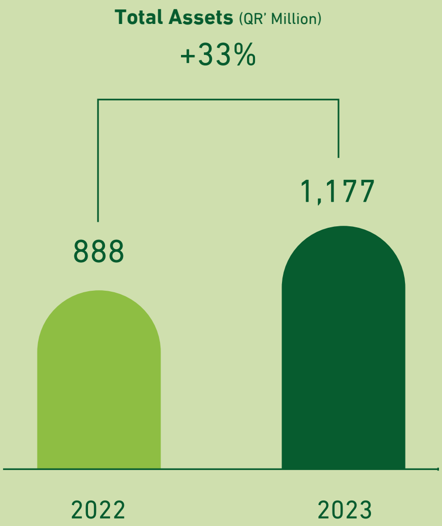


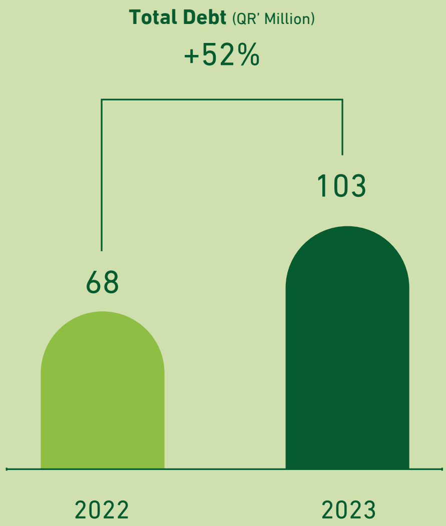
Insurance

Al Koot Insurance and Reinsurance Company

Incorporated in 2003, it is currently a wholly-owned subsidiary of GIS. All of the Company's services are principally provided within the construction, operations, marine, and medical insurance and reinsurance fields.

Insurance segment financial performance for 2023





Note: Comparative figures for YE-22 have been restated on account of adoption of IFRS 17.
Revenue has been decreased by QR 16 million and net profit has been decreased by QR 4 million

Catering

AMWAJ Catering Services Company Limited

Incorporated in 2006 as a wholly-owned subsidiary of QatarEnergy, and was subsequently acquired by GIS on June 1, 2012. In addition to its original objective of providing high quality catering services, AMWAJ has diversified to encompass cleaning, pest control, manpower supply, facilities management, camp management, retail and VIP catering. With soft facility management services, which include commercial cleaning services that cover both internal and external areas, the company offers comprehensive and efficient services that include cleaning & janitorial and laundry services for clients. AMWAJ Catering Services also offers distinguished and high-quality Corporate Hospitality and VIP dining services for small exclusive gatherings or large high-profile celebrations, also catering for Wedding Banquets etc.

During 2023, Amwaj Catering Services Limited underwent an all-share combination with in-kind contribution from Shaqab Abela Catering Services Co. ("Shaqab") and Atyab Fruits and Vegetables ("Atyab"), with economic benefit date as of 1st January 2023. The merger is in line with our announcement made on 21st September 2023 and the Extra-Ordinary General Assembly approval on 13th March 2023. The board diligently executed the merger, dissolving the previous board of Amwaj and appointed new board members from respective shareholders.

INDEPENDENT AUDITOR’S REPORT

GIS operates in four business segments: Drilling, Insurance, Aviation and Catering.

Independent auditor's report to the shareholders of Gulf International Services Q.P.S.C.

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Gulf International Services Q.P.S.C. (the "Company") and its subsidiaries (together the "Group") as at 31 December 2023 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023;
- the consolidated statement of profit or loss and other comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements that are relevant to our audit of the consolidated financial statements in the State of Qatar. We have fulfilled our other ethical responsibilities in accordance with IESBA Code and the ethical requirements in the State of Qatar.

Our audit approach

Overview

Key Audit Matters	• Accounting for the Amwaj Catering Services Limited (Amwaj) transaction • Valuation of insurance contract assets and liabilities • Impairment of rigs

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Directors made subjective judgements; for example, in respect of material accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the Key audit matters</th></tr>
<tr><td colspan="2">Accounting for the Amwaj Catering Services Limited (Amwaj) transaction</td></tr>
<tr><td>On 16 October 2023, one of the subsidiaries of the Group namely Amwaj Catering Services Limited ("Amwaj"), which represents the Group's catering segment, acquired 100% of the shares of selected entities of Shaqab Abela Catering W.L.L. and Atyab Fruits and Vegetables W.L.L groups. Simultaneously the Group transferred 35.7% of its ownership in Amwaj Catering Services to Tamween Capital, and 34.3% to Abela Qatar International ("AQI").

This acquisition resulted in the deconsolidation of Amwaj which has been shown in these consolidated financial statements as discontinued operations and the recognition of the retained interest as investment in an equity accounted investee with effective ownership of 30%.

The fair value of the retained interest was QR 345 million and carrying amount of the net assets deconsolidated amounted to QR 371 million resulting in a loss on deconsolidation of QR 26 million. Notional goodwill of QR 294 million was recognised as part of the transaction.

As required by IAS 28 'Investments in associates and joint ventures' a notional purchase price allocation (NPPA) was undertaken in accordance with IFRS 3 'Business combinations' to account for this transaction. This required management to make significant estimates as part of determining the fair values of the identifiable assets acquired and liabilities assumed.

The Group engaged independent valuers in order to determine the fair value of the retained interest and the fair values that formed part of the notional purchase price allocation.

We considered this to be a matter of most significance to the current year›s audit given the significant estimates involved in determining the fair value of the retained interest and the fair values of the identifiable assets acquired and liabilities assumed.

Refer to the following notes to the consolidated financial statements for detail:

• Note 7: Discontinued operations; and
• Note 10: Equity accounted investees.</td><td>Our procedures included the following:

• We read the merger and related agreements and assessed the appropriateness of the transaction date being the date the Group lost control over Amwaj;
• We evaluated the methodology adopted by management for the valuation of the fair value of the retained interest in Amwaj. We also assessed the key valuation assumptions used;
• We assessed the competency, objectivity and independence of the external valuers engaged by the Group. We also obtained the valuation reports and discussed these with the external valuers regarding the methodologies and key assumptions used;
• With input from our internal valuation experts (where considered necessary), we performed the following procedures, in relation to the fair value of the retained interest and the fair values of the identifiable net assets that formed part of the notional purchase price allocation, as deemed appropriate;
- Considered the appropriateness of the methodology and assumptions used in determining the fair values based on the applicable financial reporting requirements and established market practice;
- Compared certain key unobservable inputs underlying the fair values to supporting documentation such as approved financial plans;
- Tested on a sample basis input data supporting the calculation of intangible assets recognised; and
- Evaluated the reasonableness of the resulting fair values based on comparable market data.
• We considered the appropriateness of the related accounting policies and disclosures in the consolidated financial statements.</td></tr>
</table>

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the Key audit matters</th></tr>
<tr><td colspan="2">Valuation of insurance contract assets and liabilities</td></tr>
<tr><td>
<u>Valuation of liability for incurred claims - Best estimate liability and Risk adjustment</u>

The valuation of the liability for incurred claims (LIC) under IFRS 17 'Insurance Contracts' is a key judgemental area for management as it requires the use of complex actuarial methods and models, mainly, for the calculation of Incurred But Not Reported (IBNR) reserves, significant management judgements and actuarial assumptions with regards to the fulfilment cash flows.

• Complex actuarial methods are specifically needed to estimate contractual cash flows, in particular ultimate claim expectations and claim development patterns.
• Key judgements and assumptions include the approaches used to determine the time value of money and the technique used to determine the risk adjustment for non-financial risks and the determination of the discount rate that reflects the characteristics of the cash flows and liquidity characteristics of the insurance contracts requires significant judgement and estimation. The risk adjustment, which reflects the compensation the Group requires for bearing uncertainty about the amount and timing of the cash flows, is determined using complex actuarial models and other factors derived from regulatory requirements.

Therefore, the ultimate amount of claims, could vary materially from the best estimate liability due to the uncertainty surrounding the amount and timing, frequency, and severity of claims and the difficulty in projecting reserves subject to inflationary pressures.

As at 31 December 2023, the LIC amounted to QR 1,013 million. Refer to Notes 3 and 25 to the consolidated financial statements for the accounting policy, judgements and estimates and other information related to the measurement of LIC.

<u>Valuation of liability for remaining coverage</u>

Some contracts issued by the Group have a coverage period of more than one year but, based on management's judgements, these contracts passed the PAA eligibility test at initial recognition. Management performed a quantitative assessment for the PAA eligibility at the IFRS 17 transition date and continued to measure the liability at subsequent measurement dates using the PAA.
</td><td>
Our procedures for the valuation of liability for incurred claims include the following:

• Understood and evaluated management's process for the valuation of outstanding claims and IBNR;
• We tested the completeness of input data used for the measurement of LIC at transition date and for each of the subsequent reporting periods;
• On a sample basis, tested the accuracy of input data used for the measurement of LIC at the transition date and for each of the subsequent reporting periods;
• We obtained from management's external independent consultants the IBNR estimation and the supporting judgements and assumptions;
• We involved our actuarial specialists in:
- evaluating the methodology and assumptions related to the best estimate liability (IBNR), risk adjustment, and discounting against the requirements of the IFRS 17 standard ("the Standard") at the transition date (31 December 2021) and each of the subsequent reporting periods (31 December 2022 and 2023);
- reperforming, on a sample basis, an independent estimation of IBNR for the material lines of business;
- determining an independent reasonable range for the computation of the RA using the Group's data;
- testing the movement disclosure required by the Standard; and
- performed independent overall analytical procedures on LIC balances.

Our procedures for the valuation of LRC included the following:

<u>PAA eligibility at transition date</u>

• We obtained from management's the PAA eligibility testing framework as well as their qualitative and quantitative assessments at transition date and their qualitative assessments for the subsequent reporting periods (i.e. 2022 and 2023);
• We involved our actuarial specialists in:
- Evaluating management's PAA eligibility testing framework and interpretation and application against the requirements of the Standard;
- performing independent quantitative testing for PAA eligibility, for a sample of the groups not automatically eligible, as at the transition date;
- for the subsequent periods, reviewing management's qualitative assessment for PAA eligibility and, on a sample basis, performing independent re-computations to confirm PAA eligibility remains unchanged.
</td></tr>
</table>

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the Key audit matters</th></tr>
<tr><td>
<u>Loss component</u>
The LRC is increased if a group of contracts is onerous at initial recognition, or subsequently becomes onerous.
The Group calculates the loss component of the LRC measured under the PAA approach with reference to the general measurement model LRC projection. This requires complex actuarial calculations and significant inputs and assumptions (such as claims assumptions, expense assumptions and claims payment patterns).
As at 31 December 2023, the liability for remaining coverage amounted to QR 239 million. Refer to Notes 3 and 25 to the consolidated financial statements for the accounting policy, judgements and estimates and other information related to the measurement of LRC.
We considered these to be matters of most significance to the current year's audit given the significant estimates involved in determining the material insurance contract assets and liabilities and due to the fact that the calculation methodologies have significantly changed from prior year as this is the first year of application of IFRS 17 'Insurance Contracts'.
</td><td>
<u>Loss component</u>
• Obtained from management's consultants the methodology used for the calculation of the Loss Component ("LC");
• Involved our actuarial specialists in:
- evaluating the methodology used against the requirements of the Standard;
- evaluating significant assumptions used in the calculation (i.e. claims ratios, expense ratios);
- performing an independent calculation of the LC to determine whether the amounts recorded by management fall within a reasonable range from our independent expectation.
</td></tr>
<tr><td colspan="2">A. Impairment of rigs</td></tr>
<tr><td>
The Group's assets include property and equipment at the reporting date with a carrying value of QR 5,507 million. Out of this, property and equipment related to the drilling segment amounted to QR. 4,259 million. International Accounting Standard (IAS) 36 'Impairment of Assets' requires these assets to be assessed for impairment where indicators of impairment are present.
Given the cyclical nature of the oil and gas business, there is a potential risk that these assets may not generate cash inflows in line with expectations and forecasts, resulting in an impairment. The Group's assessment of the value in use ("ViU") of its cash generating units ("CGUs") involves estimation about the future performance of the respective businesses. In particular, the determination of the ViU is sensitive to the significant assumptions of future day rates and discount rates. As a result of the impairment tests performed, no impairment was recognised during the year ended 31 December 2023.
We considered the Group's impairment assessment to be a matter of most significance to the current year audit due to the significant judgements and assumptions made by management in performing the impairment assessment.
Refer to the following notes to the consolidated financial statements for further details:
Note 2.4: Use of judgements and estimates;
Note 6: Property and equipment.
</td><td>
Out audit procedures included the following:
• We obtained an understanding of the business process related to impairment;
• We reviewed the group assessment to identify if there is any impairment trigger;
• We obtained the valuation model and tested the mathematical accuracy of the model used by management. We also assessed the appropriateness of the valuation methodology (discounted cash flows model) applied by management, with reference to market practice and the requirements of IAS 36;
• We assessed the reliability of the Group's budgets included in the business plans (which form the basis of the cash flow forecasts), by comparing current period budgets to actual results and evaluating differences noted against underlying documentation and explanations obtained from management. We also agreed revenue and costs used to calculate cash flow forecasts to approved budgets and/or business plans and benchmarking of day rate assumptions to market data;
- We utilised our internal valuation specialists to support us in assessing the assumptions and methodology used by management, and in particular, they independently calculated the weighted average cost of capital;
- We performed sensitivity analysis to determine the changes in key assumptions, namely, discount rates and day rates that would result in an impairment. We considered whether such changes were reasonably likely;
- We also assessed the adequacy of the related disclosures provided in Note 6 to the consolidated financial statements, in particular the sensitivity disclosures in relation to reasonably possible changes in assumptions that could result in impairment.
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</table>

Other information

The Directors are responsible for the other information. The other information comprises the Board of Directors' Report (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the complete Annual Report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of the Directors and those charged with governance for the consolidated financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and with the requirements of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 and for such internal control as the Directors determine necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group›s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group›s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Further, as required by the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 we report that:

- We have obtained all the information we considered necessary for the purpose of our audit;
- The Company has carried out a physical verification of inventories at the year-end in accordance with observed principles;
- The Company has maintained proper books of account and the consolidated financial statements are in agreement therewith;
- The financial information included in the Board of Directors› report is in agreement with the books and records of the Company; and
- Nothing has come to our attention, which causes us to believe that the Company has breached any of the provisions of the Qatar Commercial Companies Law number 11 of 2015, as amended by Law number 8 of 2021 or of its Articles of Association, which would materially affect the reported results of its operations or its consolidated financial position as at 31 December 2023.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Qatar Financial Market Authority registration number 120155

Mark Menton

Auditor's registration number 364

Doha, State of Qatar

14 February 2024

INDEPENDENT ASSURANCE REPORT TO THE SHAREHOLDERS OF GULF INTERNATIONAL SERVICES

Report on the suitability of design and operating effectiveness of internal controls over financial reporting of significant processes as at 31 December 2023

Introduction

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code" or the "Code") Issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a reasonable assurance engagement over the Board of Directors' Report on Internal Controls over Financial Reporting of Gulf International Services)the "Company") as at 31 December 2023, based on the framework issued by the Committee of Sponsoring Organisations of the Treadway Commission "COSO framework".

Responsibilities of the directors and those charged with governance

The Board of Directors' of the Company are responsible for presenting the Board of Directors' Report on Internal Controls over Financial Reporting, which includes:

- the Board of Directors' assessment of the suitability of design and operating effectiveness of internal controls over financial reporting;
- description of the identification of significant process and internal controls over financial reporting; and
- assessment of the severity of design, and operating effectiveness of control deficiencies, if any noted, and not remediated at 31 December 2023.

The assessment presented in the Annual Report will be based on the following elements included within the Risk Control Matrices provided by the Company's management:

- the control objectives; including identifying the risks that threaten the achievement of the control objectives; and
- designing and implementing controls to achieve the stated control objectives.

The Company's Board of Directors are also responsible for establishing and maintaining internal financial controls based on the COSO framework.

These responsibilities include the design, and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including:

- adherence to Company's policies;
- the safeguarding of its assets;
- the prevention and detection of frauds and errors;
- the accuracy and completeness of the accounting records;
- the timely preparation of reliable financial information; and
- compliance with applicable laws and regulations

Responsibilities of the Assurance Practitioner

Our responsibilities are to express a reasonable assurance opinion based on our assurance procedures on the Board of Directors' Report on Internal Controls over Financial Reporting, based on the COSO framework.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain reasonable assurance on the Board of Directors' assessment of suitability of the design and operating effectiveness of the internal controls over financial reporting of significant processes, as presented in the 'Board of Directors' Report on Internal Controls over Financial Reporting, in all material respects, to achieve the related control objectives stated in the description of the relevant processes by management, based on the COSO framework.

A process is considered significant if a misstatement due to fraud or error in the stream of transactions or financial statement amount would reasonably be expected to impact the decisions of the users of financial statements. For the purpose of this engagement, the processes that were determined as significant are: investments management, treasury and cash management, intercompany transactions, accounting management and year-end closing of the financial records transactions.

An assurance engagement to express a reasonable assurance opinion on the Board of Directors' Report on Internal Controls over Financial Reporting based on the COSO framework involves performing procedures to obtain evidence about the fairness of the presentation of the report. Our procedures on internal controls over financial reporting included:

- obtaining an understanding of internal controls over financial reporting for Significant Processes;
- assessing the risk that a material weakness exists; and
- testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

In carrying out our engagement, we obtained understanding of the following components of the control system:

- Control Environment
- Risk Assessment
- Control Activities
- Information and Communication
- Monitoring Activities

The procedures selected depend on our judgement, including the assessment of the risks of material misstatement of the suitability of design and operation, whether due to fraud or error. Our procedures also included assessing the risks that the controls were not suitably designed or operating effectively to achieve the related control objectives stated in the Board of Directors' Report on Internal Controls over Financial Reporting.

Our procedures included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives were achieved.

An assurance engagement of this type also includes evaluating Board of Directors' assessment of the suitability of the design and operating effectiveness of the controls over the control objectives stated therein. It further includes performing such other procedures as considered necessary in the circumstances.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Board of Directors' Report on Internal Controls over Financial Reporting.

Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1 ("ISQM 1") and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Concept of internal controls over financial reporting

An entity's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB"). An entity's internal control over financial reporting includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity;
2. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the generally accepted accounting principles, and that receipts and expenditures of the entity are being made only in accordance with authorizations of the management of the entity; and
3. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Inherent limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' Report on Internal Controls over Financial Reporting and the methods used for determining such information.

Because of the inherent limitations of internal controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal controls over financial reporting to future periods are subject to the risk that the internal control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Furthermore, the controls activities designed, and operated as of 31 December 2023 covered by our assurance report will not have retrospectively remedied any weaknesses or deficiencies that existed in relation to the internal controls over the financial reporting for significant processes prior to the date those controls were placed in operation.

Other information

The Board of Directors are responsible for the other information. The other information comprise the Board of Director's report (but does not include the "Board of Directors' Report on Internal Controls over Financial Reporting), which we obtained prior to the date of this auditor's report, and the complete Annual Report, which is expected to be made available to us after that date.

Our opinion on the Board of Directors' Report on Internal Controls over Financial Reporting do not cover the other information and we do not, and will not express any form of assurance opinion thereon.

In connection with our assurance engagement on the Board of Directors' Report on Internal Controls over Financial Reporting, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If we conclude that there is a material distortion of the other information we obtained prior to the date of this report, based on our actions, we are required to prepare a report. We have nothing to report in this regard.

When we read the complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Opinion

In our opinion, based on the results of our reasonable assurance procedures, the Board of Directors' assessment of the suitability of the design and the operating effectiveness of the Company's internal controls over financial reporting of significant processes, based on the COSO framework is presented fairly, in all material respects, as at 31 December 2023.

Emphasis of matter

We draw attention to the fact that this assurance report relates to Gulf International Services on a stand-alone basis only and not to the Gulf International Services and the operations of its subsidiaries and equity accounted investees as a whole. Our report is not modified in this respect.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Qatar Financial Market Authority registration number 120155

Mark Menton

Auditor's registration number 364

Doha, State of Qatar

14 February 2024

Independent Assurance Report to the Shareholders of Gulf International Services

Report on Compliance with Qatar Financial Markets Authority's (QFMA's) law and related legislation, including the Governance Code for Companies & Legal Entities Listed on the Main Market Issued by the QFMA's Board pursuant to the QFMA's Decision No. (5) of 2016 as at 31 December 2023 ("QFMA's Requirements")

Introduction

In accordance with the requirements of Article 24 of the Governance Code for Companies & Legal Entities Listed on the Main Market (the "Governance Code" or the "Code") issued by the Qatar Financial Markets Authority (QFMA) Board pursuant to Decision No. (5) of 2016, we have carried out a limited assurance engagement over the Board of Directors' assessment of compliance with the QFMA's Requirements of Gulf International Services (the "Company") as at 31 December 2023.

Responsibilities of the directors and those charged with governance

The Board of Directors of the Company are responsible for preparing the Board of Directors' assessment of compliance with the QFMA's Requirements -as included in the Corporate Governance Report - that covers at a minimum the requirements of Article 4 of the Code.

The Board of Directors are also responsible for ensuring the Company's compliance with the QFMA's law and relevant legislations and the Governance Code for Companies & Legal Entities Listed on the Main Market issued by the QFMA's Board pursuant to Decision No. (5) of 2016 and preparing the Board of Directors' assessment of compliance with QFMA's Requirements.

The Board of Directors are also responsible for identification of areas of non-compliance and related justifications, where mitigated.

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that if operating effectively would ensure the orderly and efficient conduct of its business, including compliance with applicable laws and regulations.

Responsibilities of the Assurance Practitioner

Our responsibilities are to issue a limited assurance conclusion on whether anything has come to our attention that causes us to believe that the Board of Directors' assessment of compliance with the QFMA's Requirements – as included in the Corporate Governance Report – do not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code, based on our limited assurance procedures;

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('IAASB'). This standard requires that we plan and perform our procedures to obtain limited assurance about whether anything has come to our attention that causes us to believe that the Board of Directors' assessment of compliance with the QFMA's Requirements, taken as a whole, is not prepared, in all material respects, in accordance with the QFMA's law and relevant legislations, including the Code.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We did not perform procedures to identify additional procedures that would have been performed if this were a reasonable assurance engagement.

A limited assurance engagement involves assessing the risks of material misstatement of the Board of Directors' assessment of compliance with the QFMA's Requirements, whether due to fraud or error and responding to the assessed risks as necessary in the circumstances. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks. Accordingly, we do not express a reasonable assurance conclusion about whether the Board of Directors' assessment of compliance with the QFMA's Requirements, taken as a whole has been prepared, in all material respects, in accordance with the QFMA's Requirements.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, evaluating the appropriateness of reporting policies for the Company and agreeing with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- made inquiries of management to obtain an understanding of the processes followed to identify the requirements of the QFMA law and relevant legislations, including the Code; the procedures adopted by management to comply with these Requirements and the methodology adopted by management to assess compliance with these requirements;
- considered the disclosures by comparing the contents of the Board of Directors' assessment of compliance with the QFMA's Requirements as included in the Corporate Governance Report against the requirements of Article 4 of the Code;
- agreed the relevant contents of the Board of Directors' assessment of compliance with the QFMA's Requirements as included in the Corporate Governance Report to the underlying records maintained by the Company; and
- performed limited substantive testing on a selective basis, when deemed necessary, to assess compliance with the QFMA's Requirements, and observed evidences gathered by management; and assessed whether violations of the QFMA's Requirements - as included in the Corporate Governance Report - if any, have been disclosed by the Board of Director's, in all material respects.

Our limited assurance procedures do not involve assessing the qualitative aspects or effectiveness of the procedures adopted by management to comply with the Requirements. Therefore, we do not provide any assurance as to whether the procedures adopted by management were functioning effectively to achieve the objectives of the QFMA's Requirements.

Our independence and quality control

In carrying out our work, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants ("IESBA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour and the ethical requirements that are relevant in Qatar. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies International Standard on Quality Management 1 (ISQM 1") and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations

Many of the procedures followed by entities to adopt governance and legal requirements depend on the personnel applying the procedure, their interpretation of the objective of such procedure, their assessment of whether the compliance procedure was implemented effectively, and in certain cases would not maintain audit trail. It is also noticeable that the design of compliance procedures would follow best practices that vary from one entity to another and from one country to another, which do not form a clear set of criteria to compare with.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the Board of Directors' assessment of compliance with the QFMA's Requirements and the methods used for determining such information.

Because of the inherent limitations of internal controls over compliance with relevant laws and regulations, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Other information

The Board of Directors are responsible for the other information. The other information comprise the Board of Director's report (but does not include the Board of Directors' assessment on compliance with the QFMA's Requirements as included in the Corporate Governance Report), which we obtained prior to the date of this auditor's report, and the complete Annual Report, which is expected to be made available to us after that date.

Our conclusions on the "Board of Directors' assessment on compliance with the QFMA's Requirements as included in the Corporate Governance Report do not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our assurance engagement on the "Board of Directors' assessment on compliance with the QFMA's Requirements as included in the Corporate Governance Report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with our knowledge obtained in the engagement, or otherwise appears to be materially misstated.

If we conclude that there is a material distortion of the other information we obtained prior to the date of this report, based on our actions, we are required to prepare a report. We have nothing to report in this regard.

When we read the complete Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Conclusion

Based on our limited assurance procedures described in this report, nothing has come to our attention that causes us to believe that the Board of Directors' assessment on compliance with QFMA's Requirements, as included in the Corporate Governance Report does not present fairly, in all material respects, the Company's compliance with the QFMA's law and relevant legislations, including the Code as at 31 December 2023.

For and on behalf of PricewaterhouseCoopers – Qatar Branch

Qatar Financial Market Authority registration number 120155

Mark Menton

Auditor's registration number 364

Doha, State of Qatar

14 February 2024

CONSLIDATED FINANCIAL STATEMENTS

Consolidated financial statements for the year ended 31 December 2023 (All amounts are expressed in Qatari Riyals '000 unless otherwise stated)

Consolidated statement of financial position

	Note	31 December 2023	31 December 2022 (Restated)*	1 January 2022 (Restated)*
Assets				
Non-current assets				
Property and equipment	6	**5,506,609**	5,560,956	5,591,281
Goodwill	7	**-**	303,559	303,559
Right-of-use assets	8	**28,386**	49,571	65,664
Contract assets	13	**13,104**	13,104	9,464
Equity-accounted investees	10	**390,052**	28,088	12,078
Financial assets at FVTOCI	11	**367,949**	306,592	418,658
		6,306,100	6,261,870	6,400,704
Current assets				
Inventories	12	**440,351**	393,170	284,088
Financial assets at FVTPL	11	**469,342**	438,185	420,689
Trade and other receivables	13	**870,544**	1,029,173	1,008,798
Other assets	18	**149,616**	120,833	102,859
Reinsurance contract assets	25.2.1	**775,666**	668,446	677,901
Short-term investments	14	**718,793**	746,126	348,632
Other bank balances	15.1	**47,079**	48,619	48,619
Cash and cash equivalents	15	**530,107**	347,828	300,788
		4,001,498	3,792,380	3,192,374
Total assets		**10,307,598**	10,054,250	9,593,078
EQUITY AND LIABILITIES				
Equity				
Share capital	16	**1,858,409**	1,858,409	1,858,409
Legal reserve	17(a)	**394,367**	384,339	377,308
General reserve	17(b)	**74,516**	74,516	74,516
Translation reserve	17(c)	**(23,118)**	(25,961)	(54,719)
Fair value reserve	17(d)	**(18,409)**	(27,646)	3,786
Retained earnings		**1,551,370**	1,365,244	1,077,214
Equity attributable to shareholders of the company		**3,837,135**	3,628,901	3,336,514
Non-controlling interests		**(482)**	(312)	(198)
Total equity		**3,836,653**	3,628,589	3,336,316

	Note	31 December 2023	31 December 2022 (Restated)*	1 January 2022 (Restated)*
LIABILITIES				
Non-current liabilities				
Lease liabilities	9	**23,135**	7,432	15,947
Loans and borrowings	19	**4,138,728**	2,633,625	3,692,705
Contract liabilities		**2,730**	2,730	1,820
Deferred tax liabilities		**14,672**	19,629	10,796
Provision for decommissioning costs	20	**-**	45,899	45,669
Provision for employees› end of service benefits	21	**80,668**	112,028	101,259
		4,259,933	2,821,343	3,868,196
Current liabilities				
Lease liabilities	9	**5,250**	33,939	28,868
Dividends payable	23	**47,079**	48,619	50,429
Loans and borrowings	19	**268,102**	1,734,430	674,156
Trade and other payables	22	**638,705**	693,035	602,948
Insurance contract liabilities	25.2.2	**1,251,876**	1,079,705	1,028,718
Contract liabilities		**-**	14,590	3,447
		2,211,012	3,604,318	2,388,566
Total liabilities		**6,470,945**	6,425,661	6,256,762
Total equity and liabilities		**10,307,598**	10,054,250	9,593,078

*Refer to Note 37 regarding details of the restatements

These consolidated financial statements were approved by the Board of Directors of the Company and signed on its behalf by the following on 14 February 2024:

Khalid Bin Khalifa Al-Thani
Chairman

Saad Rashid Al-Muhannadi
Vice Chairman

Consolidated statement of profit or loss and other comprehensive income (All amounts are expressed in Qatari Riyals '000 unless otherwise stated)

For the year ended 31 December

	Note	2023	2022 (Restated)*
Continuing operations			
Revenue	25.1	**2,364,591**	2,145,788
Cost of sales	26	**(1,762,784)**	(1,634,852)
Gross profit from non-insurance operations		**601,807**	510,936
Insurance revenue	25.2.2	**1,173,899**	887,784
Insurance service expense	25.2.2	**(886,893)**	(660,689)
Net expense from reinsurance contracts held	25.2.1	**(216,850)**	(121,284)
Insurance service result		**70,156**	105,811
Gross profit and net insurance service results		**671,963**	616,747
Finance (expense)/income from insurance contracts issued		**(44,914)**	7,338
Finance income/(expense) from reinsurance contracts held		**54,797**	(18,500)
Net insurance finance income / (expense)		**9,883**	(11,162)
Other income	27	**47,263**	27,403
Other gains/(losses) – net	28	**(19,263)**	(26,252)
General and administrative expenses	29	**(192,548)**	(166,113)
Net gains on investments in debt securities measured at FVOCI reclassified to profit or loss on disposal		-	3,529
Net fair value gain/(loss) on financial assets at FVTPL		**21,928**	(25,897)
Net monetary (loss) / gain arising from hyperinflation		**(2,924)**	20,760
Net impairment (loss) / reversal on financial assets	13	**(1,341)**	3,353
Operating profit		**534,961**	442,368
Finance income	34.1	**70,436**	35,817
Finance costs	34.2	**(205,262)**	(180,376)
Finance costs – Net		**(134,826)**	(144,559)
Share of net profits of equity accounted investees		**24,798**	17,577
Profit before income tax		**424,933**	315,386
Income tax expense	30	**(9,081)**	(13,914)
Profit for the year from continuing operation		**415,852**	301,472
(Loss) / Profit from discontinued operation (attributable to the shareholders of the Company)	7	**(24,237)**	726
Profit for the year		**391,615**	302,198
Profit for the year attributable to:			
Shareholders of the Company		**391,785**	302,312
Non-controlling interests		**(170)**	(114)
		391,615	302,198
Earnings per share			
Basic and diluted earnings per share from continuing operations attributable to shareholders of the Company		**0.224**	0.163
Basic and diluted earnings per share from discontinued operations attributable to shareholders of the Company		**(0.013)**	(0.000)
Basic and diluted earnings per share from profit attributable to shareholders of the Company	31	**0.211**	0.163

	Note	2023	2022 (Restated)*
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Changes in the fair value of debt instruments at fair value through other comprehensive income		**9,237**	(27,903)
Net instruments at FVOCI reclassified to profit or loss		**-**	(3,529)
Exchange differences on translation of foreign operations including effect of hyperinflation		**2,843**	28,759
Other comprehensive income / (loss) for the year		**12,080**	(2,673)
Total comprehensive income for the year		**403,695**	299,525
Total comprehensive income for the period attributable to:			
Shareholders of the Company		**403,865**	299,639
Non-controlling interests		**(170)**	(114)
		403,695	299,525
Total comprehensive income for the period attributable to shareholders of the Company arises from:			
Continuing operations		**427,932**	298,799
Discontinued operations		**(24,237)**	726
		403,695	299,525

*Refer to Note 37 regarding details of the restatements

Consolidated statement of changes in equity
(All amounts are expressed in Qatari Riyals '000 unless otherwise stated)

For the year ended 31 December

	Attributable to owners of the Company								
	Share capital	Legal reserve	General reserve	Foreign currency translation reserve	Fair value reserve	Retained earnings	Total	Non controlling interests	Total equity
Balance at 1 January 2022 (previously reported)	1,858,409	377,308	74,516	(55,836)	3,786	998,204	3,256,387	(198)	3,256,189
Impact on the initial application of IFRS 17 (Note 5)	-	-	-	-	-	61,551	61,551	-	61,551
Restatements (Note 37)	-	-	-	1,117	-	17,459	18,576	-	18,576
Balance at 1 January 2022 (restated*)	1,858,409	377,308	74,516	(54,719)	3,786	1,077,214	3,336,514	(198)	3,336,316
Total comprehensive income:									
Profit for the year	-	-	-	-	-	302,312	302,312	(114)	302,198
Other comprehensive loss	-	-	-	28,758	(31,432)	-	(2,674)	-	(2,674)
Total comprehensive income / (loss) for the year	-	-	-	28,758	(31,432)	302,312	299,638	(114)	299,524
Social fund contribution (Note 22)	-	-	-	-	-	(7,251)	(7,251)	-	(7,251)
Transfer to legal reserve	-	7,031	-	-	-	(7,031)	-	-	-
Balance at 31 December 2022 (restated)	1,858,409	384,339	74,516	(25,961)	(27,646)	1,365,244	3,628,901	(312)	3,628,589
Balance at 1 January 2023	**1,858,409**	**384,339**	**74,516**	**(25,961)**	**(27,646)**	**1,365,244**	**3,628,901**	**(312)**	**3,628,589**
Total comprehensive income:									
Profit for the year	-	-	-	-	-	**391,785**	**391,785**	**(170)**	**391,615**
Other comprehensive income	-	-	-	**2,843**	**9,237**	-	**12,080**	-	**12,080**
Total comprehensive income for the year	-	-	-	**2,843**	**9,237**	**391,785**	**403,865**	**(170)**	**403,695**
Social fund contribution (Note 22)	-	-	-	-	-	**(9,790)**	**(9,790)**		**(9,790)**
Transfer to legal reserve	-	**10,028**	-	-	-	**(10,028)**	-	-	-
Transactions with shareholders of the Company:									
Dividends declared	-	-	-	-	-	**(185,841)**	**(185,841)**	-	**(185,841)**
Balance at 31 December 2023	**1,858,409**	**394,367**	**74,516**	**(23,118)**	**(18,409)**	**1,551,370**	**3,837,135**	**(482)**	**3,836,653**

Consolidated statement of cash flows
(All amounts are expressed in Qatari Riyals '000 unless otherwise stated)

For the year ended 31 December

	Note	2023	2022 (Restated)*
Cash flows from operating activities			
(Loss) / profit before income tax			
Continuing operations		**424,933**	315,386
Discontinued operations		**(24,237)**	726
Adjustments for:			
Depreciation of property and equipment	6	**351,238**	347,473
Impairment loss on property and equipment	6	**7,316**	2,202
Loss on sale and write-off of property and equipment		**4,009**	1,053
Depreciation of right-of-use assets	8	**13,701**	31,166
Share of profit of equity-accounted investees		**(24,798)**	(17,577)
Loss from the disposal of a subsidiary	7	**26,279**	-
Write-down of inventories due to slow-moving and obsolete stock		**763**	1,554
Net impairment loss / (reversal) on financial assets	13	**1,341**	(3,353)
Provision for employees› end of service benefits	21	**16,236**	24,625
Net (loss) / gain in fair value of financial investments at FVTPL		**(21,928)**	25,897
Net gain from sale of financial investments		**(313)**	(3,529)
Profit distribution from managed investment funds	27	**(1,655)**	(3,652)
Dividend income	27	**(4,928)**	(3,543)
Income tax benefit recognized pursuant to MOU	27	**(5,723)**	(5,688)
Finance income	34.1	**(70,436)**	(35,817)
Finance costs - leases	34.2	**202**	535
Finance costs – loans and borrowings		**211,709**	185,331
Finance costs – decommissioning	20	**180**	230
Net monetary gain arising from hyperinflation		**2,924**	(20,759)
Operating profit before working capital changes		**906,813**	842,260
Working capital changes:			
(Increase) in inventories		**(61,712)**	(107,528)
(Increase) in other assets		**(28,783)**	(17,974)
decrease / (increase) in trade and other receivables		**27,118**	(17,022)
(Increase) / decrease in reinsurance contract assets		**(107,220)**	9,455
Increase in trade and other payables		**79,620**	71,503
Increase in insurance contract liabilities		**172,171**	50,987
Increase in contract liabilities		**(14,590)**	11,143
Cash flows generated from operating activities		**973,417**	842,824
Social and sports contribution paid		**(7,251)**	(1,351)
Employees› end of service benefits paid	21	**(15,571)**	(13,856)
Net cash flows generated from operating activities		**950,595**	827,617

	Note	2023	2022 (Restated)*
Investing activities			
Acquisition of property and equipment	6	**(333,300)**	(275,987)
Acquisition of financial investments		**(62,883)**	(306,881)
Net movement in short-term investments		**27,333**	(397,494)
Finance income received		**63,203**	35,794
Proceeds from sale and maturity of financial investments		**15,051**	352,203
Proceeds from sale of property and equipment		**-**	1,228
Profit distribution from managed investment funds	27	**1,655**	3,652
Proceeds from sale of a joint venture		**3,537**	-
Amwaj's cash at disposal	7	**(127,414)**	-
Dividends from equity-accounted investee	10	**3,920**	1,567
Dividends received		**1,691**	3,543
Net cash used in investing activities		**(407,207)**	(582,375)
Financing activities			
Principal elements of lease payments		**(5,951)**	(19,513)
Proceeds from loans and borrowings		**20,440**	106,288
Repayment of loans and borrowings		**(3,872)**	(143,323)
Dividends paid to unclaimed dividends account		**(185,841)**	(1,810)
Finance costs paid - leases		**(202)**	(535)
Finance costs paid – loans and borrowings		**(189,502)**	(141,936)
Net cash flows used in financing activities		**(364,928)**	(200,829)
Net change in cash and cash equivalents		**178,460**	44,413
Effect of movements in exchange rates on cash held		**3,819**	2,627
Cash and cash equivalents at 1 January		**347,828**	300,788
Cash and cash equivalents at 31 December	15	**530,107**	347,828

*Refer to Note 37

Non-cash investing additions relating to right of use assets excluded from the cashflows amounted to QR 28 million (2022: QR 15 million). Other non-cash investing activities relate to the disposal of Amwaj, refer to Note 7.

Cashflows relating to discontinued operations are presented in Note 7.

Notes to the consolidated financial statements are an integral part of the financial statements. For more information, please visit GIS' website: www.gis.com.qa or please scan the QR-code using a smart phone for easy access to the full set of consolidated financial statements.

2023 CORPORATE GOVERNANCE REPORT

1. Introduction

Gulf International Services (hereinafter referred to as "GIS" or "the Company"), a Qatari public shareholding company listed on Qatar Stock Exchange, was established on 12th of February 2008 in accordance with the provisions of its Articles of Association and the Commercial Companies Law promulgated by Law no. 5 of 2002, especially Article 68 thereof. GIS then brought its Articles of Association into conformity with the provisions of the Commercial Companies Law promulgated by Law no. 11 of 2015 as amended by Law no. 8 of 2021, having regard to the peculiar nature of its incorporation.

QatarEnergy, the founder, Special Shareholder and 10% shareholder, provides GIS with all the required financial and head office services under a service-level agreement. GIS therefore applies some of QatarEnergy's established rules and procedures as a service provider. As part of its Board of Directors' efforts aimed at complying with the principles of corporate governance and applying industry-standard best practices, GIS management made an agreement with a consultant to develop a Corporate Governance Framework, which was approved by the Board of Directors at its first meeting of 2013 held on 25th of February 2013.

2. Scope of implementation of the governance and compliance with its principles

Out of a firm belief in the importance and necessity of entrenching the principles of good governance to ensure and enhance value creation to shareholders, GIS Board of Directors is firmly committed to implementing governance principals set forth in the Governance Code for Companies and Legal Entities Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA) pursuant to QFMA Board decision no. 5 of 2016, and in line with the provisions of the Company's AoA.

In doing so, the Board defined the roles and responsibilities of the Board of Directors, Senior Executive Management and employees of the Company. It promotes the principals of justice and equality among stakeholders without discrimination and enables them to exercise and enjoy their rights, upholding values of protecting the minority. The Board maintains productive control and risk management, enhances transparency and disclosure and provides information to the stakeholders at the right time and in the manner that enables them to make decisions and undertake their duties properly.

Moreover, the Board of Directors upholds the values of corporate social responsibility, puts the interest of the Company and its stakeholders ahead of any other interest, carries out its roles and responsibilities in good faith, integrity, honor and sincerity and takes the responsibility arising therefrom to the stakeholders and community.

The Board of Directors always ensures that an organizational framework, that is consistent with the legal and institutional framework of the listed companies, is in place at the Company level. This is achieved through a process of reviewing and updating governance applications, as and when required. In addition, the Board of Directors endeavors to maintain a Code of Conduct that reflects the values held by the Company and ensures the establishment of the principals of transparency upholding the values of self-control and integrity and acknowledging responsibility.

In addition, as the head office service provider, QatarEnergy ensures that its concerned staff are made aware of and trained on risk management, self-control and professional code of conduct, anti-bribery and corruption, conflict of interest and information classification and security, among others.

Taking into account the provisions of Article no. 2 of QFMA Governance Code, the Company strictly observes the provisions of QFMA Governance Code and endeavors to maintain its official documents in conformity with such Code to ensure full and proper application of the provisions thereof.

3. Board of Directors

3-1 Board Structure

GIS was established by QatarEnergy, a Qatari state-owned public corporation established by Decree Law no. 10 of 1974, as a parent company of a group of companies with interests in a broad cross-section of industries, ranging from insurance and re-insurance, onshore and offshore drilling, accommodation barge, helicopter transportation and catering services. GIS went public and listed on Qatar Stock Exchange by QatarEnergy to provide Qatari people with investment opportunity, and to share the generated profits with them, ensuring they get the maximum benefit. Also, the IPO price was lower than the fair estimate of the share value. All shareholders receive annual dividends in proportion to their shareholdings.

Recognizing the peculiar nature of GIS' activities and the Company's strategic position, especially in drilling and aviation segments, and taking into account the public interest, it was therefore critical, to make sure assets are properly managed in a manner that ensures sustainability and creates value for the Company›s shareholders, that QatarEnergy, the founder of the Company, retains special privileges, including the Special Share. These special privileges are provided for in article no. 77 of the Commercial Companies Law promulgated by Law no. 5 of 2002 at that time, which are still in effect as part of the provisions of the Commercial Companies Law promulgated by Law no. 11 of 2015 as amended by Law no. 8 of 2021. In addition, article no.152 states that the Company›s Articles of Association may provide for the determination of some privileges for a class of shares, provided that the shares of the same class are equal in rights, advantages and restrictions.

Due to many reasons that show how closely the Company's financial and operational performance is connected to QatarEnergy, making it vital to maintain aligned strategy and vision, QatarEnergy, the Special Shareholder, had to reserve the right to appoint three (3) Board Directors and senior and executive management teams who are sufficiently qualified and experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives. The reasons are summarized as follows:

- QatarEnergy is the founder, Special Shareholder and 10% shareholder.
- The strategic activities of the Company, particularly in the aviation and drilling segments.
- QatarEnrgy provides technical and technological support to group companies.
- QatarEnergy provides all financial and head office services to the Company under a comprehensive service-level agreement. These services are provided as and when requested to ensure that the operations of the Company are fully supported.

Therefore, the Board, in accordance with the Company's amended Articles of Associations, consists of seven (7) Directors, three (3) of whom are appointed by the Special Shareholder. Four (4) Directors are elected as per their eligibility in the satisfaction of Article (23) ("Eligibility of Directors") by secret ballot of the General Assembly. The Special Shareholder shall not participate in the voting process. Voting takes place in accordance with the applicable rules and regulations.

Except for those matters that are decided by shareholders as provided in the Company's Articles of Association, the Board of Directors has the widest powers to give full effect to the objects of the Company. The Board may delegate any such power to any one or more of the Directors.

3-2 Board Composition

Directors are appointed for renewable terms of three (3) years or such shorter periods (being no less than one (1) year). During 2021, the Company opened the nomination period for the membership of the Company's Board of Directors for four seats for a term of three (3) years (2021- 2024) for shareholders (individuals and companies) as per their eligibility in satisfaction of Article no. 23 ("Eligibility of Directors") of the Company's Articles of Association, which clearly states that:

1. The elected Director of the Board shall own a number of shares that are not less than one million shares of the company's capital to guarantee the rights of company, shareholders, creditors and third parties from any responsibility that falls on the Board of Directors, and these shares should be deposited within one week from the commencement of membership date and shall not be negotiated or mortgaged or blocked until the period of membership is expired, and the balance sheet of the last fiscal year in which the director conducted his work shall be approved. If the director fails to submit the guarantee, as mentioned above, his membership will be invalid.
2. Each shareholder, without exception, that satisfies the eligibility criteria set forth in Article 23 ("Eligibility of Directors") may nominate only one representative regardless of the percentage of his shares. For the purposes of this Article, a legal person, its subsidiaries and companies and/or individuals under its control, shall be deemed one person.
3. With exception of the Directors elected by the Special Shareholder, no person, either in person or as a proxy, can be a member of the Board of Directors unless by holding that post he becomes:
    - A director in the Boards of two companies undertaking business activities similar to the Company or its Affiliates; or
    - A director in the Board of Directors of more than three Qatari shareholding companies.
    - The chairman or deputy chairman in more than two Qatari shareholding companies.
    - The membership becomes invalid if the above is violated and everything received from the Company must be returned to the Company.

4. In determining whether a person is suitable to be appointed as an Independent Board Member, such determination shall be based on the regulations and requirements of Qatar Stock Exchange. The relevant Independent Director must not be under the influence of any factor that may limit his/her capacity to consider, discuss and decide on the Company's matters in an unbiased and objective manner.

Accordingly, the following members, who had met the eligibility requirements, were appointed by acclamation during the meeting of the Ordinary General Assembly held on 10th of March 2021 for four seats for a term of three (3) years (2021-2024), starting 11th of March 2021:

1. Mr. Ali Jaber Hamad Al-Marri, representative of the General Retirement & Social Insurance Authority (Non-Independent/Corporate).
2. Sheikh Jassim bin Abdullah Al-Thani, representative of Qatar Investment Authority (Independent/Corporate).
3. Mr. Saad Rashid Al-Muhannadi, representative of Woqod Vehicles Inspection "FAHES" (Non-Independent/Corporate).
4. Mr. Mohammed Nasser Al-Hajri, representative of Qatar Electricity & Water Company (Independent/Corporate).

On the other hand, in accordance with Articles nos. 22 and 40 of GIS' Articles of Association, QatarEnergy, the Special Shareholder, pursuant to resolution no. 10 of 2021 passed on 17th of March 2021, nominated its representatives as follows:

1. Sheikh Khalid bin Khalifa Al-Thani, Chairman.
2. Mr. Ghanim Mohammed Al-Kuwari, Member.
3. Mr. Mohammed Ibrahim Al-Mohannadi, Member.

The following should be noted:

- Independent Directors in the current composition were identified from among the elected Directors as defined in QFMA regulations in this regard.
- None of the Directors appointed by the Special Shareholder «Qatar Energy» is Independent, as they are representatives of a legal person that owns more than 5% of the Company›s share capital.
- GIS Board of Directors does not include executive Directors, as QatarEnergy provides the Company with all the executive services under a service - level agreement.

During the year 2024, the company is scheduled to open nominations for membership in the Board of Directors to individual and corporate shareholders to fill (4) seats for a period of (3) years (2024-2027), based on their fulfillment of the nomination conditions during the ordinary general assembly meeting for the fiscal year ending 31 December 2023 scheduled to be held on 10 March 2024 in accordance with the relevant regulations for the appointment.

The Company is also scheduled to announce in due course Qatar Energy's decision regarding the appointment of its representatives to the company's Board of Directors for its next session (2024-2027).

In accordance with the composition of the Board and its roles and responsibilities provided for in Board Charter, Manual of Authority and Company's Articles of Association, no one or more of Directors may have control over passing resolutions. Resolutions of the Board shall be passed by a simple majority of those Directors present and the Chairman of the Board, and entitled to vote at the relevant meeting of the Board, each Director present having one vote.

QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives. In addition, QatarEnergy ensures that all of its representatives in group companies attend appropriate training and awareness programs so that subsidiaries' boards of directors can achieve the highest levels of performance and adopt the best governance practices.

GIS makes timely disclosure of any and all resolutions by QatarEnergy concerning the composition of the Board of Directors or any change thereto (Directors' bios are included in the appendix to this report).

3-3 Key roles and responsibilities of the Board

The Board of Directors has overall responsibility for the performance of the company including establishments of polices, strategies, risk framework, governance framework and corporate values. The board is also responsible for overseeing the sound implementation of these, in addition to overseeing of the performance of executive management. The board assumes professional and legal responsibility towards Company shareholders and all stakeholders, embodied in the duties of trust, loyalty, objectivity, and dedication to achieving the company›s objectives and protecting the rights of shareholders and stakeholders.

Considering this, the company›s board of directors has prepared, within the governance framework, a charter for its board in accordance with recognized best governance practices. This is in recognition of its role as one of the most important pillars of governance and its application at the company level.

The Board of Directors is accountable to shareholders for exercising due care and diligence in managing the Company in an effective manner, as well as establishing the principles of good governance at all levels to serve the interests of the Company, its shareholders and stakeholders and the public interest. The roles and responsibilities of the Board and the duties which must be fully performed by Directors are specifically identified in the Charter, which is reviewed and amended following any relevant new changes made by regulators. In addition, the Governance Framework developed by the Board contains the job descriptions of all Board Directors according to their classification and the positions they may have in any Board Committee. The Framework also contains the job description of the Board Secretary.

As part of the Company's Board of Directors' efforts aimed at determining Board roles and responsibilities in accordance with QFMA Governance Code and ensuring adherence, GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13th of March 2022, amended Article no. 27 "Directors' Responsibilities and Liabilities" of its Articles of Association to read as follows: "The Board shall prepare a Charter called "Board Charter" detailing the Board's functions, and rights, duties and responsibilities of the Chairman and Directors. The functions and responsibilities of the Board are defined in accordance with the provisions of the Law and the Governance Code for Listed Companies issued by Qatar Financial Markets Authority."

In accordance with Board Charter, which is available on the Company›s website, the Board, among other responsibilities, provides strategic guidance to GIS in line with the Company's vision and mission. This is achieved through approving and supervising the implementation of the Company's strategic directions, main objectives and business plans. The Board develops and supervises proper internal control systems and risk management, appoints the Company's Senior Executive Management and approves the succession planning concerning the management. It establishes mechanisms for dealing and cooperating with providers of financial services, financial analysis, credit rating and other service providers, supervises and ensures the appropriateness of internal control systems of the risk management, conducts periodic review of the Company's internal control procedures mainly by the Board Audit Committee and approves the training and education in the Company that includes programs introducing the Company, its activities and governance in accordance with the Governance Code for Companies and Legal Entities Listed on the Main Market issued by QFMA.

The Board of Directors puts in place a corporate governance framework consistent with the provisions of QFMA Governance Code and oversees all aspects of the framework, monitors its effectiveness and makes amendments as required. The Board also reviews the Company›s policies and procedures to ensure compliance with the relevant laws, regulations and GIS Memorandum of Association and Articles of Association.

The Board may delegate some of its functions or authorities to Board Committees or Special Committees. Special Committees are constituted to undertake specific tasks under written and clear instructions. In accordance with the Company's Manual of Authority, the Board shall determine the authorities it may delegate to the executive management and the procedures for decision-making. The Board may also determine the matters that it retains the right to decide on. In all cases, the Board remains liable for all of its functions or authorities so delegated.

The Board carries out its functions and duties in accordance with the provisions of Article (9) of QFMA Governance Code, amongst which the Board shall not enter into loans that spans more than three years and shall not sell or mortgage real estate of the Company, or drop the Company's debts, unless it is authorized to do so by the Company's Articles of Association, which so authorize to the Company's Board of Directors. In addition, under GIS internal regulations, including Board Charter, the Board shall ensure that the Company adheres to its Articles of Association and the applicable laws and regulations, including QFMA regulations. Also, the Board may not act or make transactions that do not comply with the relevant laws and regulations, and that such actions or transactions must be approved by the relevant authorities, including the Company's General Assembly.

In accordance with the Company's AoA, All Directors shall be jointly and individually liable for any fraudulent act, abuse of power, negligent errors in management or violations of the Articles or Law.

3-4 Board Chairman

The Chairman is primarily responsible for the proper management of the Company in an effective and productive manner, making available for Board Directors all data and information in a timely manner. The Corporate Governance Framework includes the Chairman's job description (roles and responsibilities). As described in detail under the Governance Framework, these roles and responsibilities, whether strategic, operational or administrative, are well aligned with the Chairman's main objective of providing the strategic guidance to GIS, protecting shareholders' rights and achieving the Company's vision and strategic objectives profitably and sustainably.

In accordance with the Company's Articles of Association, the Chairman shall represent the Company towards Third Parties. The Vice Chairman shall substitute for the Chairman in his absence.

As part of its efforts to be in compliance with the provisions of the Commercial Companies Law as amended by Law no. 8 of 2021, GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13th of March 2022, amended Article no. 41 "Role of Chairman and Deputy Chairman" of its Articles of Association to read as follows: "The Chairman shall represent the Company towards Third Parties and Judiciary, and his signature shall be regarded by Third Parties and Judiciary as indicating approval by the Board of any transaction to which it relates. The Chairman shall implement the resolutions passed by the Board and abide by the recommendations thereof. The Chairman may delegate some of his powers to other Directors or members of the senior executive management. The delegation shall be of definite period and subject. He has the authority of appointment or replacement of the Company's representatives on group companies' Board of Directors and he does not have the right to grant a Director or member of the senior executive management this authority. General Assembly meetings shall be chaired by the Chairman, or in his absence the Deputy Chairman (if any), or in the absence of both of them any other Director appointed by the Directors to act as the Chairman."

The Chairman is not a member of any Board Committee referred to in QFMA Governance Code. The Chairman does not hold any executive position at the Company. In this regard, the Company's management ensures that:

- No one person in the Company should have unfettered powers or influence on decision-making at the time of developing the Company's Manual of Authority and the relevant regulations.
- The Chairman in his capacity is not a member in any of the Board Committees or Special Committees, while ensuring that committees' Manuals of Authority and Terms of Reference are developed for effective functioning, members of the committees are properly selected, and that committees' Manuals of Authority and Terms of Reference are in line with best governance practices.
- The roles and responsibilities of the Chairman are separated from those of the rest of Board Directors and members of the Company's executive management.

3-5 Board Directors

Directors are committed to exercising due care and making full use of their diverse skills and experience in managing the Company and complying with the relevant regulations and laws, including Board Charter and the Code of Ethics, and to work in accordance with the ethical principles of integrity, respect, objectivity, accountability, excellence, sustainability and confidentiality to ensure upholding the interests of the Company, its shareholders and other stakeholders to be priority before any other interest. In accordance with the Company's Articles of Association and Conflict of Interest Policy, Directors shall declare any financial and commercial transactions and judicial proceedings that may adversely affect the performance of their assigned duties and responsibilities.

3-6 Board meetings

The Board of Directors convenes to conduct the Company's business and shall adjourn and otherwise regulate its meetings as it thinks fit. In accordance with Article (30-1) of the Company's Articles of Association, the Board shall meet at least six (6) times during the Company's fiscal year, and a three-month period may not lapse without a meeting of Board. The number of Directors required to constitute a quorum shall be five (5) Directors (present or duly represented by an alternate) as a minimum, and the Chairman shall be one of them. In accordance with the amended Articles of Association, the Board fulfilled the minimum required number of meetings (6 meetings) during 2023.

In accordance with Board Charter and the Company's Articles of Association, all Board meetings are convened by a notice from the Chairman or, in his absence, the Vice Chairman (if any), or any two Directors or such other Director as is duly authorized by the Chairman. Meeting agenda and invitations shall be given to every Director not less than seven (7) days prior to the date set for the meeting. A meeting of the Board shall, with a notice of less than seven (7) days, be deemed to have been appropriately convened in the absence of any objection by Directors and as agreed by those Directors to attend.

GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13th of March 2022, amended Article no. 35 "Business Not on Agenda" of its Articles of Association to read as follows: "No resolution may be proposed to the Board at a meeting unless the matter is on the agenda for that meeting or at least two (2) Directors (or the proxy of such Directors) agree to a request by a Director that one or more items may be added to the agenda."

In accordance with the Company›s Articles of Association, an absent Director may appoint in writing a Director to represent him in attendance and voting, provided that no Director may represent more than one Director. The office of a Director shall be vacated by such Director if he absents himself from three (3) consecutive or four (4) non-consecutive Board meetings without an excuse being accepted by the Board.

To ensure full participation of all Directors in Board meetings, Director has the right to use any secure technological means of communications to enable him to hear and actively participate in discussing Board agenda items and passing resolutions. A participating Director in such a manner shall be considered as personally present at the meeting and counted in the quorum and shall be entitled to vote.

3-7 Board resolutions

In accordance with the Company's Articles of Association and internal regulations, Board resolutions shall be passed by a majority of those Directors present and the Chairman of the Board at a duly constituted Board meeting. The Board shall keep minutes of all resolutions and proceedings of Board meetings and those absent from and attending such meetings. The Chairman, Secretary and all attendants shall sign on the minutes. Any objecting Director shall enter his objection in the minutes of meeting.

The Board of Directors may, in case of necessity and on urgency grounds, pass resolutions in writing by circulation subject to written approval on such resolutions by all Directors. The resolution shall be deemed in force and effective for all purposes as if it was adopted at a duly called meeting of the Board. In all cases, the written resolution shall be submitted at the next meeting of the Board, to be included in the minutes of the meeting.

3-8 Board Secretary

In accordance with the Company's Articles of Association, the Board or the Special Shareholder may take a decision to appoint a Secretary of the Board for such period and on such terms as it may decide and may revoke such appointment. The Board shall decide on the duties of the Company's Secretary and on the scope of his/her authority and his/her annual remuneration.

The detailed roles and responsibilities of the Board Secretary are included in in the Board of Directors Job Descriptions within the Corporate Governance Framework. These roles and responsibilities are aligned with the main objective of providing comprehensive and confidential administration and support services to the Board of Directors. The Secretary keeps safe Board documents and coordinates among Board Directors in a timely and appropriate manner.

The Secretary, in accordance with Board Charter and his/her job description, is responsible for arranging the logistics of the meetings, taking and recording the minutes of Board meetings and resolutions, maintaining and safekeeping of Board documentation, minutes of meetings, resolutions and correspondence and distributing of Board meeting agendas, invitations, other required documentation, full coordination among Directors, the Board and relevant stakeholders, enabling Directors to have quick access to all the Company›s documents, as well as its information and data. He/she is also responsible for keeping official forms, correspondence, official documents, lists of names of Board Directors and their membership, and fulfilling other official requirements. In addition, he/she provides orientation material and scheduling orientation sessions for new Board Directors.

The current Board Secretary has a legal experience that spans more than 20 years. In addition, the Secretary has long expertise on the affairs of a listed company.

The Secretary may, as he/she deems appropriate and upon approval of the Chairman, delegate to a representative any of his/her duties, powers or discretionary authorities. However, the representative shall not have the right to delegate such duties, powers and authorities to another person.

3- 9 Board Committees

As part of implementing governance, the Board of Directors established some Board Committees and some Special Committees and delegated to these committees some powers and authorities to carry out specific tasks and conduct Company›s business. The Board of Directors remains liable for all the powers and authorities so delegated. Board Chairman is not a member of any Board Committee or Special Committee. The Board also reviews and assesses the performance of the committees on an annual basis. Board Committees are as follows:

3-9-1 Audit Committee

The Board Audit Committee (BAC) was constituted pursuant to Board resolution no. 5 of the fourth meeting of GIS Board of Directors of 2010. The current BAC was formed by virtue of resolution no. 2 of 2021 passed on 13th of June 2021 concerning the reconstitution of Board Committees. The BAC currently consists of 3 (three) Board Directors, including an Independent Director as Chairman. All committee members are elected Board Directors who have the required experience necessary to effectively perform their duties and exercise all authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman or a member of any other Committee.

The Articles of Association were amended based on the approval of the Company's Extraordinary General Assembly meeting held on 2nd of May 2018, wherein the definition of the Independent Director and identification mechanism was added. Based on this amendment, in determining whether a person is suitable to be appointed as Independent Director, such determination shall be based on the regulations and requirements of Qatar Stock Exchange.

In applying the definition in QFMA Governance Code and based on candidate applications and related declarations submitted by all elected Directors, the majority of committee members are Independent Directors and no one of the current members has directly or indirectly conducted external audit for the Company during the two years prior to their membership in the Committee.

The Corporate Governance Framework, which was developed in line with QFMA Governance Code and industry-standard best governance practices, contains BAC Terms of Reference. Committee responsibilities include financial aspects, external and internal audits, internal controls, compliance, risk management and any other aspect within the competence and mandate of the Committee.

BAC reports periodically to the Board of Directors on its activities, issues and raises recommendations, particularly with regard to the review and endorsement of the quarterly, half-year and year-end financial statements, as well as internal and external audit reports, internal control system and risk management.

During its meetings of 2023, Committee considered several matters and resolved the following:

1. Approve the External Auditor's report on the consolidated financial statements for the financial year ended 31st of December 2022.
2. Review and endorse the consolidated financial statements for the financial year ended 31st of December 2022 and present the executive summary report.
3. Endorse 2022 Corporate Governance Report.
4. Review and endorse the consolidated financial statements for the financial period ended 31st of March 2023 and present the executive summary report.
5. Present executive summary report (Year-to-Date April 2023)
6. Review and endorse the consolidated financial statements for the financial period ended 30th of June 2023 and present the executive summary report.
7. Review and endorse the consolidated financial statements for the financial period ended 30th of September 2023 and present the executive summary report.
8. Conduct annual self-assessment of the Committee's performance.
9. Follow up with the newly appointed internal auditor assigned to carry out the internal audit mandate for the company for a period of five years starting from January 1, 2023. This includes budgetary considerations, the required working hours for the activities, risk assessment criteria, and the development of an audit plan covering both the company and its subsidiaries.
10. Present GIS 2023 BAC meeting timetable for acknowledgement

In accordance with Committee›s Terms of Reference, the meeting of the Committee shall be valid only in the presence of the Committee Chairman and a majority of its members. Minutes of meeting shall be prepared for each meeting and signed by all members and representatives present at the meeting. In accordance with the Committee's amended Terms of Reference, Committee holds at least (6) meetings during the financial year. During 2023, Committee met the minimum required number of meetings (6 meetings).

The Board Audit Committee currently consists of three members. The table below shows the current members of the Board Audit Committee:

Name	Position
Mr. Mohammed Nasser Al-Hajri	Chairman
Sheikh Jassim bin Abdullah Mohammed Jabor Al-Thani	Member
Mr. Ali Jaber Al-Marri	Member

3-9-2 Nomination and Remuneration Committee

As part of its efforts to comply with the provisions of QFMA Governance Code, the Company had established a Nomination and Remuneration Committee by Board resolution no. 3 of 2017. The current Committee was formed by virtue of resolution no. 2 of 2021 passed on 13th of June 2021 concerning the reconstitution of Board Committees. Committee currently consists of three Board Directors who have the required experience to efficiently perform their duties and exercise all authorities and powers vested in or exercisable by the Committee. Committee Chairman is not a Chairman of another Board Committee, and the BAC Chairman is not a member of the Nomination and Remuneration Committee.

Committee's Terms of Reference were developed in line with QFMA Governance Code and the industry-standard best corporate governance practices. Committee responsibilities include outlining the general policy for granting remunerations on an annual basis, taking into consideration the requirements of relevant regulators. Committee sets the foundations for granting remunerations and allowances to Board Directors and the Senior Executive Management and submits proposals on the remunerations of the subsidiaries' Boards of Directors.

In determining the proposed remuneration, Committee takes into account the duties and responsibilities of Board Directors and the Company's performance and benchmarks with the best practices of the similar companies listed on Qatar Stock Exchange.

On the other hand, the scope of the Committee's responsibilities includes setting the foundations and developing criteria for the shareholders to identify eligible persons and elect candidates for Board membership at the General Assembly meeting, receiving applications for membership of the Board of Directors and submitting a list of candidates, including its recommendations in this regard. In addition, Committee reviews the self-assessments of Board Directors, which include a comprehensive analysis of the Board's performance and related recommendations, taking into consideration many factors that best serve the long-term interests of the Company›s shareholders and meet their expectations. Committee reports to the Board of Directors on its activities, issues and raises recommendations.

The company is scheduled to open nominations for membership in the Board of Directors to individual and corporate shareholders to fill (4) seats for a period of (3) years (2024-2027), and accordingly, the committee will meet to carry out its tasks in terms of considering the foundations and criteria for electing candidates, drafting, announcing the opening of nominations, specifying the documents required for nomination for natural and legal persons, and approving the necessary forms for this.

In light of the applicants fulfilling the nomination conditions, during the company's ordinary general assembly meeting for the fiscal year ending on 12/31/2023, which is scheduled to be held on 3/10/2024, the election will take place in accordance with the relevant regulations and legislation, and then the appointment will be made.

In 2023, Committee held a meeting on 9th of February 2023, during which it considered several matters and resolved the following:

1. Review self-assessment of Board Directors –Directors made positive assessments at various levels, such as independence, objectivity, knowledge and experience, teamwork, leadership, goals, contributions, participation and inputs.
2. Propose the remuneration of the Board Directors for the financial year ended 31st of December 2022.
3. Review the proposed remunerations of the subsidiaries' Boards of Directors - ensuring that these remunerations were determined based on the operational and financial performance of the subsidiaries with a fair estimate.

In accordance with Committee›s Terms of Reference, the meeting of the Committee shall be valid only in the presence of the Chairman of the Committee and a majority of its members. Minutes of meeting shall be prepared for each meeting and signed by all members and representatives present at the meeting. Committee shall meet as and when necessary. Prior to Board meeting for reviewing the year-end financial statements, Committee shall meet to make recommendation on the proposed remuneration of Board Directors that should be presented to and approved by the Annual General Assembly.

Remuneration of Board of Directors

The Company developed a periodically revisited remuneration and allowance policy for Board Directors. The policy has fixed component for Board Directorship and attending meetings and a variable component (remuneration) based on the performance of the Company and the extent to which it achieves its medium- and long-term objectives, provided that the total of both components - in any case - should not exceed the maximum «ceiling" amount determined by the policy as approved by QatarEnergy. The main principles of this policy are included in the Corporate Governance Framework. In accordance with the Company's Articles of Association, the proposed remuneration of Directors shall be presented to and approved by the General Assembly.

As part of its efforts to be in compliance with the provisions of the Commercial Companies Law as amended by Law no. 8 of 2021, GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13th of March 2022, amended Article no. 44 "Remuneration of Directors" of its Articles of Association to read as follows: "The Directors shall be paid such remuneration as may be determined by applicable Law and regulations, subject to approval by a resolution of the General Assembly. Directors may receive a lump sum in the event that the Company does not make any profits, subject to the approval of the Company's General Assembly."

In its remuneration policy, the Company complies with the limits provided for in Article no. 119 of the Commercial Companies Law promulgated by Law no. 11 of 2015 as well as the letter received from QFMA dated 11/6/2023 regarding the method of determining the compensation for the members of the board of directors, that such remuneration does not exceed (5%) of the net profit after deducting reserves, legal deductions and distributing dividends of not less than (5%) of the Company's paid-up capital.

Remuneration of senior management

All financial, administrative and head office services are provided by resources from QatarEnergy under a service-level agreement. Accordingly, the Company›s staffing structure does not include any senior executive position.

Committee currently consists of three members. A meeting was held on 9th of February 2023 to consider the proposed remuneration of the Board of Directors for the financial year ended 31st of December 2022. A recommended remuneration of QR 3,800,000 for all Board Directors was presented to and approved by the General Assembly held on 13th of March 2023. As for Board Committees, no remuneration is paid for membership. Only the members of the Nomination and Remuneration Committee receive allowances for attending its meetings QR 10,000 per meeting with a cap of 3 meetings per year. The table below shows the current members of the Committee:

Name	Position
Mr. Ghanim Mohammed Al-Kuwari	Chairman
Mr. Mohammed Ibrahim Al-Mohannadi	Member
Mr. Ali Jaber Al-Marri	Member

3-10 Assessment of Board Performance

The Board of Directors conducts an annual self-assessment for its performance and all sub-committees performance to ensure that Directors are efficient, honor their commitments, make the most efforts possible and exchange experiences. The assessment takes into account several factors that best serve the long-term interests of the shareholders and meet their expectations as follows:

1. Independence and impartiality in presenting views and ideas while avoiding conflicts of interest.
2. Directors' knowledge and experience that are relevant to the Company›s activity.
3. Commitment, participation and team working at the Board and its committees.
4. The role of the Board and the extent to which it achieves the objectives set, including the outcome of the business and the achievement of the Company›s strategy.
5. Communication between the Board on the one side and its committees and the Executive Management of the Company on the other side.
6. Decision-making mechanisms and the accuracy and adequacy of the required information.
7. Providing constructive opinions, suggestions and recommendations and ideas in the best interest of the Company.

The Remuneration Committee, at its first meeting of 2023 held on 9th of February 2023, reviewed the self-assessments of Board Directors for the financial year ended 31st of December 2022. Directors made positive assessments at various levels, such as independence, objectivity, knowledge and experience, teamwork, leadership, goals, contributions, participation and inputs. Assessment results were then presented to the Company' Board of Directors at its first meeting of 2023 held on 13th of February 2023.

In its first meeting of 2024, the Remuneration Committee will review 2023 Board self-assessment and will make its recommendations in this regard as part of its report to the meeting of the Board of Directors.

During 2023, the Board performed the tasks and dispensed business decisions within its authorities as provided for in the Board Charter. Directors had no grievances or complaints. All proposals were discussed during Board meetings and necessary relevant actions were taken, whether corrective or reinforcing. The Board is satisfied that it has effectively discharged all of their duties and obligations.

4. Company's control system

The primary purpose of internal controls is to assist in achieving management›s objective of ensuring, as far as practicable, the orderly and efficient conduct of its business, including adherence to management policies, the safeguarding of assets, the prevention and detection of fraud and error, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information. To achieve this, the Company adopted an internal control system that includes the development of internal controls over financial reporting, policies and operating procedures for risk management, internal and external audit, monitoring Company›s compliance with the relevant regulations. Clear lines of self-control, responsibility and accountability throughout the Company are therefore set.

The internal control system is designed and implemented by the Senior Executive Management and overseen by the Audit Committee and the Board of Directors discussing observations on the internal controls. The Internal Auditor periodically makes and submits reports in this regard.

To ensure that best standards are applied in developing internal control systems, the management adopted COSO Internal Control – Integrated Framework (2013) as a benchmark framework. COSO Internal Control – Integrated Framework (2013) consists of inter-related components, including control environment, risk assessment, control activities, information and communication, and monitoring.

Internal control is an integral part of GIS' corporate governance which involves the Board, Board Audit Committee, executive management and employees at all organizational levels. It is a process which includes methods and processes to:

1. Safeguard GIS' assets.
2. Ensure the reliability and correctness of financial reporting.
3. Secure compliance with applicable legislation and guidelines.
4. Ensure that objectives are met and continuous improvement of operational efficiency.

The objective for GIS' financial reporting is to be in line with the highest professional standards and to be full, fair, accurate, punctual and understandable.

Moreover, having a benchmark framework, such as COSO Framework, will enable the management to establish and maintain an internal control system. Company's auditors can also refer it as a benchmark framework to perform their duties in accordance with article no. 24 of QFMA Governance Code for Companies & Legal Entities Listed on the Main Market issued pursuant to QFMA's Board Decision no. 5 of 2016, in particular with regard to the assessment of the appropriateness and effectiveness of the applicable control systems.

To ensure compliance with the provisions of Article no. 4 of QFMA Governance Code, Gulf International Services should:

1. Establish and maintain adequate and effective internal controls over financial reporting to mitigate the risk of significant misstatements.
2. Evaluate and assess the adequacy and effectiveness of the internal controls over financial reporting to mitigate the risk of significant misstatements.

To achieve this, the management developed a framework to assess the Company›s internal controls over financial reporting based on the Company' 2022 standalone financial statements. A top-down approach was used in designing and testing of the Company's framework wherein it begins at the financial statement level and with the understanding of the overall risks to internal controls over financial reporting.

Business risks were assessed using the Company's 2022 standalone financial statements. The risk assessment, which involved application of "Materiality" on GIS' 2022 standalone financial statements (considering the qualitative and quantitative factors) based on the inputs of the External Auditor and the best practices, was made to determine the significant accounts, disclosures, their relevant assertions and applicable business processes within the Company for controls identification, evaluation and testing.

This approach directs attention to accounts, disclosures, and assertions that present a reasonable possibility of material misstatement to the financial statements and related disclosures. The next activity involves understanding of the risks in the Company›s processes relevant to the identified significant accounts, disclosures and assertions based on risk assessment and select for testing those controls that sufficiently address the assessed risk of misstatement to each relevant assertion. This process can be detailed as follows:

Risk assessment:

1. Identifying and assessing the risks of material misstatement in the financial statements.
2. Determining materiality (considering the qualitative and quantitative factors), external audit input, and other factors relating to the determination of material weaknesses.
3. Identifying classes of transactions, significant account balances, disclosures, their relevant assertions and applicable business processes based on determined materiality. The financial statement assertions include existence or occurrence, completeness, valuation or allocation, rights and obligations, presentation and disclosures.

Perform walkthrough:

Following the risk assessment, the relevant internal controls which mitigate the risk of material misstatements for applicable business processes are identified through walkthroughs by reviewing the established policies and procedures, enquiries with management and process owners and understanding the flow of transactions.

These internal controls are grouped as follows:

1. Entity Level Controls (ELCs) – present across the Company and include measures taken by management to equip staff to adequately manage risks through raising awareness, providing appropriate knowledge and tools as well as developing skills.
2. Information Technology General Controls (ITGCs) - The ITGC (applicable IT applications and infrastructure relevant to identified business process) on Company's general IT infrastructure and systems.
3. Business Process Controls - both manual and automated, are embedded in business processes applicable to financial transactions. These controls may change over time due to changes in the Company's business processes.

A walkthrough involves following a transaction from origination through the Company›s processes, including information systems, until it is reflected in the Company›s financial records, using the same documents and information technology that Company personnel use.

Walkthrough procedures usually include a combination of inquiry, observation, inspection of relevant documentation.

Test of internal controls:

Following the risk assessment and controls identification, control testing was conducted on each of the identified controls to assess if they are designed adequately and operating effectively. Control testing encompasses three components: test of design effectiveness, test of operating effectiveness, and ongoing monitoring.

Test of Design Effectiveness:

Testing the design effectiveness of controls involves determining whether the Company›s controls, if they are operated as prescribed by persons possessing the necessary authority and competence to perform the control effectively, satisfy the Company›s control objectives and can effectively prevent or detect errors or fraud that could result in material misstatements in the financial statements. This will conclude if the Company has an adequate system of internal controls over financial reporting.

Testing the design includes a mix of inquiry of appropriate personnel, observation of the Company›s operations, and inspection of relevant documentation.

Test of Operating effectiveness

Testing the operating effectiveness of controls involves obtaining evidence about whether the control is operating as designed throughout the relevant financial reporting period. For each control selected for testing operating effectiveness, the evidence necessary to conclude that the control is effective depends upon the risk associated with the control, which is assessed based on factors such as nature and materiality of misstatement the control is intended to prevent, history of errors, frequency with which control operates, effectiveness of entity level controls, competency of personnel performing the control, nature of control i.e., automated or manual.

Evaluating identified deficiencies:

A 'deficiency' in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

Evaluation of the severity of each control deficiency should be made to determine whether the deficiencies, individually or in combination, are significant deficiencies or material weaknesses as of the balance sheet date.

The Company's management recognizes that a significant deficiency or weakness in internal controls over financial reporting increases the possibility that a misstatement in the Company›s annual or interim financial statements will not be prevented or detected on a timely basis, which is important enough to merit attention of those charged with management and governance.

A deficiency in design exists when (a) a control necessary to meet the control objective is missing or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met.

A deficiency in operating effectiveness exists when a properly designed control does not operate as designed, or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

Remediation Testing:

The Company ensures that any issues or deficiencies either relating to design or operative effectiveness of specific controls are remediated. Once a new control is in place or remediated, it should be given enough time for its operations to validate the control's operating effectiveness. The amount of time that a control should be in place and operating effectively depends on the nature of the control and how frequently it operates.

Based on its assessment of the Company's current internal controls over financial reporting and Testing of Design and Operating Effectiveness, the management believes that the Company has developed an appropriate internal control framework that meets the requirements of the internal control over financial reporting. Moreover, the management considers the developed framework as appropriate to form the basis for compliance with the requirements of Qatar Financial Markets Authority in this regard.

The following are the main elements of the Company›s internal control framework:

4-1 Risk management

As a service provider under a service-level agreement, QatarEnergy' established risk management rules and regulations are applied. However, the Board of Directors endeavors to maintain an appropriate risk management framework at Company level, as risk management is an integral part of company governance, which the shareholders expect from the Board of Directors.

This framework takes into consideration pursuing an integrated process for continuous risk management, starting from risk identification, assessment, measurement, management to monitoring as follows:

- Risk identification and assessment involve identifying and assessing all risks facing the Company. Risks are classified into four main categories: strategic, operational, financial and compliance related. For each risk, there must be measures to address it effectively, as well as a set of indicators to monitor changes in the overall risk structure and landscape. Risks are simulated in several scenarios in order to develop proper remedies and assess their cumulative impact on the performance of the Company.
- Risks are then measured based on the impact and possibility of their occurrence.
- Risks are managed with the possibility that their level is increased, decreased or maintained in a manner consistent with the determined level of risk accepted by the Company. During treatment, the Company takes into consideration that risks have a life cycle, i.e., before, during and after the occurrence. The Company ensures protection, and that regulations, operational procedures and controls are developed in accordance with the best practices to minimize and mitigate related risks.
- Risks are then monitored to ensure that any related problems are quickly identified and properly addressed.

4-2 Audit

4-2-1 Internal Audit

Gulf International Services periodically floats a tender for the engagement of an independent consultant to provide it with internal audit services in accordance with tendering procedures. Offers are received by an established Tender Committee. Based on its evaluation of the technical and commercial offers, the Tender Committee makes its recommendations to the Board Audit Committee on the selection of the appropriate consultant.

During 2022, a tender was floated to appoint an Internal Auditor to provide the Company and its subsidiaries, as instructed by the BAC and in accordance with the audit plan, with internal audit services as a “service provider”. The Committee, by its resolution no. 2 of 2022, endorsed the appointment of the Internal Auditor for a period of five years, starting 1st of January 2023 after reviewing the procedures for floating the tender and making relevant assessments.

The appointed Internal Auditor makes risk assessment at the Company and its subsidiaries level, draw up appropriate audit plan, get BAC approval, conduct audit in accordance with the approved audit plan, submit their periodic reports to the BAC and follow up on the implementation of the outstanding observations and related corrective action plans.

The Internal Auditor has access to business functions and all data are provided as and when requested. The Internal Auditor verifies control systems, financial oversight and risk management, reviews the development of risk factors at the Company and the appropriateness and effectiveness of the applicable systems to address the related risks. The Internal Auditor also verifies the extent to which the Company is committed to applying internal control systems and complying with the relevant laws and regulations, including Company›s compliance with the rules and provisions that govern listing and disclosure to the stock market.

The internal audit reports are prepared by the Internal Auditor at the Company and subsidiaries level according to the approved audit plan and in line with the international auditing standards. All reports and recommendations are quarterly presented by the Internal Auditor to the BAC and subsequently submitted to the Company’s Board of Directors as part of the BAC periodic report. In general, the report includes assessment results of risks and applied systems at the Company, control and risk management procedures, updates on audit work and related results and an assessment of the Company’s performance as to applying the internal controls to ensure adherence to and compliance with the regulations set by the regulators, a follow up and the current status of the executive management’ plans of corrective actions to address any weaknesses in the internal controls and any other tasks as recommended by the Audit Committee. The executive management receives a copy of the report to take the necessary corrective actions as instructed by the Board Audit Committee.

The Internal Auditor completed four follow-up audits on implementation of corrective actions reported in previous year, three audits related to Quality Assessment of Internal Audit functions of the group companies, conducted risk assessment and developed Internal audit plans for 2023-2025 covering GIS and its subsidiaries duly reviewed and approved by the GIS Board Audit Committee. The scope of the internal audit, which is based on risk assessment, includes many areas across group companies, covering operations - offshore and onshore, procurement, maintenance, supply chain, warehouse, marketing and business development, joint venture agreements, finance and treasury, human resources, payroll, information technology, Health safety and environment, medical and life insurance, , client contracts, reinsurance, compliance, and investments etc.,).

4-2-2 External Audit

The External Auditor provides assurance that the financial statements were properly and fairly prepared in accordance with the international accounting and auditing standards. They report on observations made on significant financial issues and implemented financial controls. Taking into account the requirements of article no. 24 of QFMA Governance Code, the scope of work of the External Auditor includes undertaking control works and assessment of the Company performance, especially relating to appropriateness and effectiveness of internal control systems implemented in the Company, including internal controls over financial reporting, the Company›s compliance to its Articles of Associations and the provisions of the Law and QFMA’s relevant legislations, including the provisions of QFMA Governance Code.

As part of its efforts to be in compliance with the provisions of the Commercial Companies Law as amended by Law no. 8 of 2021, GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13th of March 2022, amended article no. 57 "Auditors" of its Articles of Association to read as follows: "The Auditors of the Company, who shall be a reputable internationally recognized firm of independent accountants registered to do business in the state of Qatar, shall be recommended by the Board and appointed annually for a term of one (1) year by the General Assembly. Auditors may not be appointed for more than three (3) consecutive terms unless otherwise decided by the General Assembly. The Board shall provide the Auditors with all information reasonably required by them to compile their reports within two (2) months of the Company›s Financial Year end. The Auditors shall have full access to the Company›s books and records. The Auditors shall provide a report on the Company›s accounts prior to the relevant meetings of the Board and the General Assembly in accordance with applicable rules and regulations. The Auditors shall attend the Annual General Assembly (to be convened within four (4) months of the Company›s year-end), and give their report in relation to the accounts of the Company laid before such Annual General Assembly."

The Board Audit Committee examines and evaluates offers received from external auditors registered in QFMA external auditors' list. Accordingly, the Committee makes its recommendation to the Board on the appointment of the External Auditor. Once approved by the Board, the recommendation shall be included in the agenda of the Company's General Assembly.

The General Assembly appoints the External Auditor for one year, renewable for a similar period or other similar periods up to a maximum of five consecutive years, provided that no re-appointment shall be made before two consecutive years are passed. The agreement between the Company and the External Auditor provides that the External Auditor's employees are required to strictly maintain confidentiality. Under relevant regulations and laws, the External Auditor is prohibited from combining between their assigned business, functions and duties and any other business in the Company, and from working at the Company before at least one year from the date of relations end with such Company.

The Company floated a tender for the appointment of an External Auditor for a period of five years, starting 2023. The recommendation on the proposed appointment by the committee, which is formed in accordance with Company's tendering procedures, is annually presented to the Company›s Ordinary General Assembly for approval. In 2023, the Company's General Assembly, at its meeting for 2022 which was held on 13th of March 2023, approved the appointment of PWC as the Company's External Auditor for 2023 for an annual fee of QR 201,741 inclusive of the external audit work and additional work of ICoFR and corporate governance assessment as instructed by QFMA, as well as the Company' compliance with QFMA Governance Code.

During 2023, the External Auditor attended the meeting of the Company's General Assembly for the financial year ended 31st of December 2022 held on 13th of March 2023, and submitted their independent assurance report on: (a) Consolidated financial statements audit, (b) Board of Directors' report on the design, implementation and operating effectiveness of internal control over financial reporting, (c) Board of Directors' report on compliance with the applicable Qatar Financial Markets Authority laws and relevant legislations, including the Governance Code for Companies and Legal Entities Listed on the Main Market.

As for the financial year ended 31st of December 2023, the External Auditor, PWC, will attend the Company's General Assembly meeting for the financial year 2023 to be held on 10th of March 2024, and will submit the independent assurance report to the Company›s shareholders on:

a. Audit of the consolidated financial statements. In their opinion, the External Auditor pointed out that the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs').
b. Internal Controls over Financial Reporting and their related assessment. In their opinion, the External Auditor pointed out that based on the results of their reasonable assurance procedures, the Directors' ICOFR report fairly presents that the Company's ICOFR were properly designed and implemented and are operating effectively in accordance with the COSO framework as at 31 December 2023.
c. Compliance with the Qatar Financial Markets Authority's law and regulations and Other Relevant Legislation including the Corporate Governance Code for Companies & Legal Entities Listed on the Main Market. In their opinion, the External Auditor pointed out that based on their limited assurance procedures performed, nothing has come to their attention that causes them to believe that the Board of Directors' Statement does not present fairly, in all material respects, that the Company has a process in place to comply with its Articles of Association, and the provisions of the QFMA's law and regulations and other relevant legislation and the Company is in compliance with the articles of the Code as at 31 December 2023.

Moreover, the External Auditor's full independent reports mentioned above, which include responsibilities, inherent limitations, scope and its determinants, criteria, results and the basis for conclusion/opinion, were published as part of the Company›s annual report available on the Company's website (www.gis.com.qa).

4-3 Compliance

GIS Board of Directors is strongly committed to maintaining full compliance with all applicable regulations, including QFMA requirements for listed companies. The Board makes every effort to ensure that a governance structure based on best practices, standards and regulatory governance requirements is developed and implemented in line with the uniqueness of its establishment.

The Company makes every effort to be in compliance with the provisions of the applicable QFMA law and relevant legislations, including the Code.

The main responsibility of the Compliance Section is to assist the Board of Directors, Board Audit Committee and the Company's management to comply with governance rules, and to manage and monitor risks by ensuring that relevant policies and procedures are in place to protect the Company, as a listed entity, against exposure to non-compliance risks.

The Compliance Section continuously monitors changes to governance regulations and best practices, and periodically updates the Company management on any changes to governance practices / regulations.

As and when the Company is required to update its governance structure due to new changes to corporate governance regulations and leading practices, Compliance Officers are required to prepare and submit proposals on governance changes to the Board for approval.

To this end, as additional layer, a mechanism is being developed to review, monitor and ensure that the Company is compliant with applicable laws, rules and regulations, and to enhance the Company›s self-revision of risk management. The mechanism generally aims to:

- Provide a reasonable assurance of the Company›s compliance with the relevant applicable laws and regulations.
- Detect cases of non-compliance, whether accidental or intentional.
- Take the necessary disciplinary actions in accordance with the Company's regulations in cases of noncompliant behavior.
- Take the necessary corrective actions to address the consequences of noncompliance.
- Develop proposals to avoid non-compliance in the future.

Each and every company of GIS group companies, which are not the main focus of this report, is fully aware of the importance of establishing the principles of good governance, including transparency, accountability and responsibility to support efforts geared towards achieving strategic goals and objectives, financial stability and integrity, and thus enhancing operational excellence.

Each company is managed independently by a Board of Directors having the necessary powers to manage and exercise its duties in full accordance with its fiduciary responsibility, ensuring the protection of all shareholders' rights of different classes. Each company also has its own systems and internal controls, including risk management systems, which are overseen by its Board of Directors, Board committees and other relevant executive committees, such as audit committees, institutional risk management committees and governance and compliance committees. All of this contributes positively to creating a control environment in line with the best standards and practices.

The Company's Board of Directors ensures that the financial and operational performance of its group companies is periodically discussed. In addition, GIS appoints only qualified and eligible Directors – its representatives to subsidiaries - who are sufficiently experienced to perform their duties effectively in the best interest of the subsidiary and dedicated to achieving its goals and objectives. Upon appointment, a Director shall be fully responsible to the subsidiary, in which he holds a seat on its Board, and shall be held accountable for his decisions to GIS as a shareholder in the meeting of the General Assembly, thereby increasing the level of independence from the appointee and non-interference in the management.

5. Disclosure and Transparency

5-1 Disclosure

The Company complies with disclosure requirements, including A) financial reports and notes thereto as disclosed to the regulators, published in the local newspapers and posted on the Company's website (www.gis.com.qa), B) number of shares owned by the Chairman, Board Directors and members of the Senior Executive Management, and C) major shareholders. The Company also complies with the requirements of disclosing information on the Chairman, Directors, Board Committees, Chairman and Directors' qualifications and experience as noted from their bios, and whether any of them is a member of the Board of Directors of other listed company, a member of its Senior Executive Management or its Board committees.

On the other hand, during 2023, no penalties were imposed on the Company as a result of violations committed during the year, including violations and sanctions imposed because of non-compliance with the implementation of any of principals or provisions of QFMA Governance Code. In addition, there were no settlements of any actual, pending, or threatened litigation during this period against the Company, and that there are no unasserted claims and assessments to be probable of assertion.

Disclosure is made in accordance with specific procedures approved by the Company's management. These procedures include ways of dealing with rumors by proving false or true, and how to clearly disclose in writing in a manner that is consistent with QFMA relevant legislations.

The Board takes appropriate measures to ensure that all disclosures are made in accordance with the instructions and rules of the relevant regulatory authorities, and that accurate and non-misleading information with the required quality and quantity is provided to all shareholders in an equitable manner to enable them to take informed decisions.

5-2 Conflict of Interest

The Company developed a policy on Related Party transactions in its Corporate Governance Framework. This policy takes into account the following:

- Review of these transactions, if any, by the Board Audit Committee and the Board of Directors to ensure compliance with relevant regulations.
- Ensure that all transactions with, or for the benefit of, any Related Party are on terms and conditions that are acceptable and within safe and sound practices and fulfil the adequacy condition of the required documents and the appropriate levels of the approving authority.
- Ensure that a transparent process, when applicable, is in place with adequate disclosure of Related Party transactions to shareholders.
- Price in a manner consistent with the recognized market practices, or on an appropriate basis, being arms-length.
- Adequate documentation, and such documentation may take the form of, for example, a services agreement, sale and purchase agreement, loan agreement etc., as appropriate, and that the terms and conditions contained therein are consistent with market practices.

The Board complies with QFMA Governance Code principals for the disclosure of any dealing and transaction the Company enters into with any «Related Party», in which such Related Party has an interest that may conflict with the Company's interest. In all cases, any transaction with Related Parties is disclosed in the notes to the Company›s consolidated financial statements, which are published in the local newspapers and posted on the Company›s website.

The Company also seeks the approval of the General Assembly before entering into a major deal or transaction, as defined by QFMA, with a Related Party. Such deal or transaction must be put on the agenda of the next General Assembly to complete the requisite procedures for conclusion.

In all cases, all relationships held by the Company with others must serve the Company's interest, as well as all transactions shall be made according to market prices and on arm's length basis and shall not involve terms that are contrary to the Company's interest.

During 2023, Related Party transactions at the Company level (on a stand-alone basis) included:

- Annual expenses paid to QatarEnergy for providing the Company with all financial and head office services under a service-level agreement.
- Income tax amounts received from subsidiaries.
- Annual dividends approved by the subsidiaries' General Assemblies.
- Rent amounts received from a subsidiary for residential villas rented to its employees.
- Foreign exchange transactions made between GIS and its subsidiaries as part of managing cash and working capital needs. These transactions were made at the official exchange rates.

5-3 Transparency and upholding the interest of the Company

The Board of Directors recognizes that the risk of conflict of interest may arise from the fact that a Director or a member of the executive management is a «Related Party», or access to Company's information by employees, service providers and any other stakeholder. In order to avoid this, the Company adopted a conflict of interest policy within its Corporate Governance Framework to identify, as far as possible, conflict of interest situations, and to prevent losing objectivity by adhering to the appropriate professional conduct and establishing the principles of transparency, fairness and disclosure.

In accordance with the Company›s internal regulations and Conflict of Interest policy, if a Related Party is in a conflict of interest situation, it shall not be entitled to attend the discussion, cast vote, or pass a resolution in this respect.

In general, a Related Party shall avoid any situation that may involve or result in actual or potential conflict of interest. In all cases, all related decisions must serve the interests of the Company.

Moreover, Directors and employees / service providers understand that all information related to GIS, its subsidiaries and customers is confidential and only used for the Company›s purposes. Using such information for personal or family purposes or for other benefits is considered unethical and illegal conduct.

5-4 Disclosure of share trading

The Company adopted procedures and rules that govern insider trading. These procedures and rules take into account the definition of the insider, whether permanently due to holding a position in the Company, or temporarily as a result of carrying out specific tasks for the Company. This insider has access to material information about the Company that could have a positive or negative impact on the investment decisions that can be taken by those who trade Company›s share at Qatar Stock Exchange.

The Company updates Edaa with the details of the insiders, Directors and members of the Company's executive management to ban their tradings according to the applicable rules, and to disclose their tradings of the Company's shares on a daily basis by Qatar Stock Exchange.

In general, insiders are not allowed to benefit directly or indirectly from the use of inside information that has not yet been disclosed. Trading Company›s shares on the basis of inside information, regardless trade size, is a serious violation of the Company›s ethical standards and policies. In addition, the insider may not assist others to trade the Company›s shares by improperly disclosing inside information.

6. Stakeholder rights

6-1 Equal rights of shareholders

Shareholders are equal and have all the rights arising from share ownership in accordance with the provisions of the Law, regulations and relevant decisions.

The Company's Articles of Associations and internal regulations provide for the procedures and guarantees needed for all shareholders to exercise their rights, particularly the rights to dispose of shares, receive the determined dividends, attend the General Assembly and participate in its deliberations and vote on decisions, as well as the right to access information and request it with no harm to the Company's interests.

The Company amended its Articles of Association, as approved by the Extraordinary General Assembly meeting held on 5th of March 2018, by adding a provision on shareholder's right to sell shares as follows:

"Should a Shareholder or a group of Shareholders reach an agreement to sell Shares in the Company equal to or exceeding fifty percent (50%) of the Company's market capitalization, such agreement shall not be enforceable unless an offer is extended to the remaining Shareholders to exercise, at such Shareholders' discretion, their Tag-Along Right."

As part of its efforts to be in compliance with the provisions of the Commercial Companies Law as amended by Law no. 8 of 2021, GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13th of March 2022, amended article no. 13 "Rights Attaching to Shares" of its Articles of Association to read as follows: "Shareholders holding shares of the same class are equal and have all the rights, privileges and restrictions arising from share ownership. Each Share shall, except the Special Share, give its holder equal rights in the Company's assets and Shareholder distributions as well as rights to vote on a one-share- one-vote basis. The rights of the holders of Shares (other than the Special Share) are subject to the rights of the holder of the Special Share as set out in these Articles.

6-2 Register of shareholders

The register of shareholders is managed in accordance with QE applicable rules and procedures. The register of shareholders is kept and updated by Edaa. Under the agreement between GIS and Edaa, the latter undertakes the tasks of registering, maintaining and depositing of securities, clearing and settlement, entering dealings in securities, whether purchase, sale, transfer of ownership, registration or pledging in the respective registers.

6-3 Shareholder rights to access information

The Company's Articles of Association and internal regulations provide for the procedures to be followed by shareholders for accessing information allowed to be disclosed to enable them to exercise their full rights without prejudice to other shareholders' rights or adversely affect the interests of the Company.

The Board of Directors and the Company's employees are making continuous efforts to establish constructive relationship and maintain communication with shareholders and investors so that they can make sound investment decisions by:

a. Ensuring fair and transparent disclosure of the Company's information both in quality and quantity in accordance with applicable laws and regulations.
b. Publishing a quarterly analytical report that includes details and analysis of the Company›s financial and operational performance.
c. Publishing a presentation and holding a quarterly virtual earning call.
d. Dedicating a professional team to meet shareholders and discuss their inquiries regarding the company's financial and operating performance.
e. Attending events and conferences.
f. Updating the Company's website (www.gis.com.qa) in line with the modern display techniques to better serve the shareholders of the Company and all related parties. The website contains a dedicated section for investor relations through which all information subject to regular and immediate release, including, financial reports, press releases and corporate governance reports and their requirements.
g. Making and maintaining strong partnerships with newspapers and other media.

Qatar Stock Exchange and Qatar Financial Markets Authority are provided with the details of the contact person. Further, an email account (gis@qp.com.qa) is dedicated for receiving inquiries or questions from the Company's shareholders. The Company also seeks views and consider assessments and suggestions from the institutional and individual shareholders, with whom it maintains regular communication.

The representatives of the Company ensure that all information provided to shareholders / investors is of the class that is allowed to be disclosed to the public. Providing confidential information or favoring a shareholder more than another is strictly prohibited.

GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13th of March 2022, amended article no. 60 "Access to Books of Account" of its Articles of Association to read as follows: "The books of account of the Company shall be kept at its head office. Subject to such confidentiality and such other restrictions as the Board may from time to time agree, the Shareholders and their respective auditors and the Directors shall have full access to such books of account and all information that enable them to exercise their full rights without prejudice to other shareholders' rights or harm the Company's interest, provided; however, that prior to undertaking any review of the Company›s books or records, the Shareholders shall first use their best efforts to obtain the information sought to be obtained from such review by making inquiry of the Company's Auditors."

6-4 Shareholder rights to General Assembly

6-4-1 Attendance and invitation

The Annual General Assembly considers and approves the Board of Directors' report on the Company's activity and financial performance during the financial year, External Auditor's report, Company's financial statements, governance report, Board's recommendation on dividend distributions, absolving Directors from their liability and approving their remuneration, and appointing the External Auditor and approving their fees.

As part of its efforts to be in compliance with the provisions of the Commercial Companies Law as amended by Law no. 8 of 2021, GIS, taking into account the instructions made by QFMA on regulating shareholders' rights to the Company's General Assembly meeting held on 13th of March 2022, amended the following articles of its Articles of Association:

a. Article no. 46 "Annual General Assembly" now reads as follows: "A General Assembly shall be convened by the Board and held at least once every year (at a date and venue determined by the Board and notified to the Ministry of Commerce and Industry), within four (4) months of the end of the Financial Year («Annual General Assembly»). The procedures to be followed for convening and conducting each Annual General Assembly shall be those set forth in these Articles."

b. Article no. 48 "Place of General Assembly Meetings" now reads as follows: "All meetings of the General Assembly shall be held in Qatar. The meetings of the General Assembly may be held by means of modern technology in accordance with the controls set by the Ministry of Commerce and Industry."

c. Article no. 49-1 "Notice of General Assembly" now reads as follows: "A General Assembly shall be convened by a notice from (and shall be chaired by) the Chairman or, in his absence, the Deputy Chairman (if any) or such other Director as may have been authorised to do so by the Chairman. A notice to attend the meeting of the General Assembly shall be electronically made to all shareholders on the websites of Qatar Stock Exchange and the Company and shall be published in a Qatari daily newspaper published in Arabic or otherwise by any other means of notification before not less than twenty-one (21) days prior to the proposed date of the General Assembly."

d. Article no. 49-2-1 "Notice of General Assembly" now reads as follows: "The notice shall contain: (i) the time, date and place of the meeting; (ii) a notice to Shareholders that they may appoint a proxy (who must be a Shareholder) to attend on their behalf; (iii) an agenda for the meeting with a detailed explanation."

e. Article no. 50 "Requisition of General assembly" now reads as follows: "A Shareholder or Shareholders together holding at least (10%) of the Company's share capital may require that a General Assembly be convened. Shareholders representing at least (25%) of the Company›s share capital may require that an Extraordinary General Assembly be convened in accordance with the provisions of the Law and the regulations in this regard."

f. Article no. 52 "Right to Attend and Vote" now reads as follows: "Each Shareholder (including minors and interdicted persons), whose name is entered in the Shareholders Register at the end of trading session on the day on which the General Assembly is convened and who is present in person or duly represented by proxy, shall be entitled to attend the General Assembly, participate in deliberations and raise questions to Directors who shall respond to the questions to the extent that this does not harm the interest of the Company. A shareholder may refer to the General Assembly if they believe the response to their question is not sufficient. Shareholder shall have the right to vote on such matters on the meeting agenda. Such Shareholder shall have one vote for each Share held. The General Assembly shall elect the Directors by secret ballot and voting should take place in accordance with the applicable rules and regulations."

In accordance with the Company's AoA, a shareholder may appoint by a proxy executed in writing another shareholder who is not a Director to attend the General Assembly on his behalf, provided that shareholder by proxy shall not own more than (5%) of the Company's share capital.

6-4-2 Effective Participation

The Company saves no effort to ensure that shareholders have the opportunity to participate effectively, vote in General Assembly meetings and be well informed of the rules, including voting procedures, which govern general shareholder meetings. In achieving this, the Company:

- Provides the shareholders with sufficient information in quality and quantity on the date, location and agenda of the general meetings, as well as complete and timely information regarding the matters to be discussed at the meeting to enable them to make a decision. This is achieved through announcing the meeting agenda in the local newspapers and posting it on the Company's own website. It also communicates the agenda to Qatar Stock Exchange for announcement on its website.
- Enables shareholders to directly pose questions to the Board Directors, place items (if any) on the agenda of the meeting, and to propose or object to resolutions, subject to the procedures established by law and applicable regulations in this regard.
- Provides a mechanism through which shareholders can attend and vote in person or in proxy. Equal effect should be given to votes whether cast in person or in proxy.

In accordance with the Company's Articles of Association, shareholder may object to any resolution deemed for the interest or harm of a certain group of shareholders; or brings personal benefits for Directors or others without regard to the Company's interests. Shareholder is entitled to enter such objection into the record of the meeting and to invalidate the objected resolution without prejudice to the provisions of the Articles of Association in this regard.

As for the financial year ended 31st of December 2022, the Company›s Ordinary and Extraordinary General Assembly meetings were held on 13th of March 2023. The agenda of the Ordinary General Assembly and the proposed amendments to the Company›s Articles of Association were approved and also approved the proposal to merge Amwaj Catering Services Company Limited, a wholly owned subsidiary of Gulf International Services Company, with some selected entities, and authorizing the company's Board of Directors or whomever the Company's Board of Directors authorizes to take the necessary relevant measures.

As for the financial year ended 31st of December 2023, the following agenda of the Company's Ordinary General Assembly meeting (to be held on 10th of March 2024) will be considered:

1. Listen to Chairman's Message for the financial year ended 31st of December 2023.
2. Listen and approve Board of Directors' Report on GIS' operations and financial performance for the financial year ended 31st of December 2023.
3. Listen and approve External Auditor's Report on GIS' consolidated financial statements for the financial year ended 31st of December 2023.
4. Approve GIS' consolidated financial statements for the financial year ended 31st of December 2023.
5. Approve 2023 Corporate Governance Report.
6. Approve Board recommendation for a dividend payment of QR 0.15 per share for 2023, representing 15% of the nominal share value.
7. Absolve the Directors of the Board from liability for the financial year ended 31st of December 2023 and approve their remuneration with a total of QR 3,800,000 for all Directors.
8. Board of Directors election for the term of office (2024-2027).
9. Appoint "PwC" as the Company's External Auditor for the financial year ended 31st of December 2024 and approve their fees.

6-4-3 Election of Board Directors

GIS adheres strictly to disclosure requirements with regard to candidates for Board membership (four elected Directors). The Company has already provided its shareholders with full information about all candidates for the Board's term of office (2021-2024), including their qualifications and experience as noted from their bios. On 23rd of February 2021, GIS proactively provided the regulators with the names of the candidates and posted their names on the Company's website well enough before the meeting of the General Assembly, which was held on 10th of March 2021, so that shareholders could take informed decisions regarding the candidates on substantive grounds.

The company is scheduled to open nominations for membership in the Board of Directors to individual and corporate shareholders to fill (4) seats for a period of (3) years (2024-2027), and accordingly, the committee will meet to carry out its tasks in terms of considering the foundations and criteria for electing candidates, drafting, announcing the opening of nominations, specifying the documents required for nomination for natural and legal persons, and approving the necessary forms for this.

In light of the applicants fulfilling the nomination conditions, during the company's ordinary general assembly meeting for the fiscal year ending on 12/31/2023, which is scheduled to be held on 10th March 2024, the election will take place in accordance with the relevant regulations and legislation, and then the appointment will be made.

As for appointed Directors, QatarEnergy appoints only qualified and eligible Board Directors who are sufficiently experienced to perform their duties effectively in the best interest of the Company and dedicated to achieving its goals and objectives. QatarEnergy makes timely disclosure of any and all decisions on the composition of the Board of Directors or any change thereto.

6-4-4 Dividend distribution

In accordance with the provisions of the Company's Articles of Association amended by the resolution of the Extraordinary General Assembly held on 26th of February 2017 and pursuant the resolution of the Extraordinary General Assembly held on 5th of March 2018 and without prejudice to the Company's ability to fulfill its obligations towards third parties and pursuant to a resolution of the General Assembly, dividends of not less than five (5) percent of the net profits of the Company after deducting legal deductions shall be distributed to registered shareholders at the end of trading session on the day on which the General Assembly is convened, provided that dividends shall not exceed the amount recommended by the Board.

The main lines of the dividend distribution policy included in the Company›s Corporate Governance Framework are explained in the attachments to the meeting agenda of the Company's General Assembly.

In general, the dividend policy requires the Company to balance shareholders› expectations with its operational and investment needs. This is achieved through investigating the following factors before a recommendation on the dividend distribution could be presented to the General Assembly:

- Cash flow constraints: It is not obligatory on GIS to distribute full profit to the shareholders. GIS shall keep sufficient cash for its operational requirements before dividend distribution.
- Lenders Constraints: GIS shall satisfy the financial requirement of lenders, if any.
- Legal constraints: Any legal reserves shall be reserved before distributing the dividend.
- Future investment plan: investment plans of GIS shall be considered, and sufficient cash shall be retained before dividend distribution unless it has been decided to fund the investment through additional share capital or bank financing.

The proposed annual dividend is subject to the final approval of the General Assembly. The Company, through its agreement with a local bank, Qatar National Bank, makes it easier for the shareholders to claim their dividends for the year or previous years by making transfers to the accounts of the shareholders who provided their bank account details to Edaa or submitted a request for transferring their dividends to any QNB branch. The Company›s website is updated with the required documents and all related details to claim dividends.

However, according to the new dividend distribution regulations for the listed companies issued by the decision of the Board of Directors of the Qatar Financial Markets Authority No. (7) for the year 2023, Edaa is mandated to undertake the distribution of cash dividends and bonus shares determined to be distributed to shareholders by the General Assembly or by the Board of Directors, in accordance with these regulations, on behalf of all companies.

As for the resolution of Company's General Assembly passed in 2023 for the financial year ended 31st of December 2022, the General Assembly approved Board of Directors proposal to distribute cash dividends to shareholders for the year 2022 at the rate of QR 0.10 per share representing a 10 % of the nominal value of share.

As for the financial year ended 31st of December 2023, the Board of Directors› recommendation for a dividend payment of QR 0.15 per share for 2023, representing 15% of the nominal value of share will be presented at the Company's General Assembly meeting that will be held on 10th of March 2024.

6-5 Conducting Major Transactions

The Company is committed to treat all shareholders equitably. Shareholders of each class of shares are equal and have all the rights arising from the share ownership in accordance with the provisions of the relevant law, regulations and decisions. The Company ensures that minority shareholders are protected against abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly.

The Company ensures that minority shareholders are protected against abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly.

Therefore, the Company ensures that all shareholders are equitably treated at the General Assembly meeting, and that voting process is facilitated without prejudice to the provisions of its AoA.

In accordance with the Company's Articles of Association, Shareholders in general and Minorities in particular may, in the event that the Company conducts Major Transactions that might harm their interests or prejudice the ownership of the Company›s share capital, object and enter such objection into the record of the meeting and to invalidate the objected transaction without prejudice to the provisions of these Articles in this regard.

The Company's capital structure is disclosed in the financial statements and herein. Additionally, Qatar Stock Exchange discloses the Company's major shareholders on its website.

With the exception of some selected entities identified in the Company's Articles of Association, and pursuant to the resolution of the Company's Extraordinary General Assembly held on 2nd of May 2018, no person or entity, shall hold either directly or indirectly (or be beneficially entitled to) shares of a nominal value exceeding 2% of the Company›s share capital. The maximum ownership of the company's share capital is 2%. Edaa, the entity entrusted with managing the register of the Company's shareholders, ensures that this maximum ownership limit is maintained.

GIS, based on the approval of the Company's Extraordinary General Assembly meeting held on 13th of March 2022, amended article no. 20 "Restrictions on shareholding" of its Articles of Association to read as follows: "The Board of Directors may, by a Board resolution considering applicable rules and regulations, determine the ownership percentage of non-Qatari shareholders up to one hundred percent (100%) of the shares listed on Qatar Stock Exchange or on any regulated stock market."

Accordingly, the Board of Directors, by resolution no. 2 of 2022, approved to increase the ownership limit for non-Qatari shareholders to 100%. All necessary measures were then taken in this regard with the relevant authorities. Pursuant to a decision made by the Council of Ministers in its meeting held on 12 October 2022, it was approved to increase the percentage of ownership of a non-Qatari investor in the Company's capital up to 100%.

Details of shareholdings in GIS share capital could be obtained from Edaa as per the register of shareholders. Details of major shareholdings as at 31st of December 2023 are as follows:

Shareholder	Percentage of Shares (%)
Pension Fund - General Retirement and Social Insurance Authority	16.79%
QatarEnergy	10.00%
Military Pension Fund	5.21%
Qatar Holding Company	4.89%
Qatar Investment Authority	3.76%
Other Shareholders	59.35%
Total	100.00%

GIS relies on Edaa to obtain valid up-to-date record of shareholdings. As per the information obtained from Edaa as at 31st of December 2023, no shareholder has exceeded the limit specified in the Company's Articles of Association, except as expressly provided therein.

6-6 Stakeholder rights (non-shareholders)

GIS safeguards and ensures respect for the rights of the Company's stakeholders in accordance with QFMA Code. Each stakeholder may request the information related to his interest upon submitting a proof of identity. The Company is committed to provide the requested information in a timely manner and in a way that does not threaten others' interests or prejudice its interests.

A whistleblowing policy and related procedures were adopted within the Company's Corporate Governance Framework to disclose any wrongdoing that may adversely impact the Company, its customers, shareholders, employees or the public at large. Under the policy, GIS assigns a member of the Board Audit Committee to address whistleblowing concerns. The assigned Committee member ensures that issues raised through whistleblowing are raised and reported to the Board Audit Committee according to the materiality of the issue.

A whistleblowing hotline (+974) 4013-2802 was established and provided on the Company›s website (www.gis.com.qa) to report malpractice, unlawful or unethical behaviour.

These procedures are also a key defense against management override of internal controls and thus can help improve corporate governance.

GIS recognizes that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice. GIS will not tolerate harassment or victimization and will take action to protect the whistle-blower that raises a concern in good faith.

6-7 Community right

Realizing the importance of its responsibility and the comprehensive role it plays in community development, Gulf International Services Company makes unremitting efforts to support social initiatives and deepen its positive impact on the individual, community and the environment in general. The Company is making efforts to reduce the environmental impact of its operations to the lowest possible sensible level by adopting effective sustainability plans, while also providing job opportunities for qualified Qataris and maintaining suitable operating environment. As part of its ongoing efforts to diversify its sources of income and expand its complementary business, GIS and its subsidiaries support

Qatar's overall strategy towards, achieving comprehensive economic development, in the interest of the community in which it operates through initiatives in the areas such as:

1. Health Safety and Environment: health awareness campaign, health service collaborations, engagement in safety culture and programs such as "Goal Zero", Hazard Identification and Risk Management, Incidents occurrence Reporting, Risk Assessment and Mitigation, HSE training, operational excellence, energy efficiency, environment management which included water management, waste management, chemicals management, noise management, spill prevention and air emissions management etc.,
2. People: Qatarization programs (partnership with educational institutions, internships, career fairs, trainings and talent management), diversity and equal opportunities, employee retention, training and development, promoting health and fitness, sports activities etc.; and
3. Community: local procurement, sponsorships and donations, health awareness campaigns, community participation programs, such as cultural, social and sport events etc.

The Social and Sport Contribution Fund

Pursuant to Law no. 13 of 2008 as amended by Law no. 8 of 2011, a 2.5% of the Company's annual net profit is allocated to support sports, cultural, social and charitable activities. For the financial year ended 31st of December 2022, the 2.5% amounted to QR 7.3 million (2021:1.3). The deducted amount was credited in full to the account of the General Tax Authority on 17th of April 2023.

For the financial year ended 31st of December 2023, the Company has allocated QR 12.20 million, representing 2.5% of its 2023 net profits, to support these activities.

Conclusion

Through its Board of Directors, Gulf International Services Company is committed to implementing corporate governance principles and best practices, maintaining by-laws and internal procedures to achieve the highest levels of governance and create anticipatory (proactive) compliance environment aimed at safeguarding its assets and capital, protecting the interests of its customers and shareholders and preserving the Company's integrity and image.

The Board is satisfied that it has effectively discharged all of its duties and obligations and fulfilled its mandate during 2023 as set out in its Charter and relevant legislation. The Board exercises due care and diligence in managing the Company in an effective and productive manner to achieve the interest of the Company, all shareholders and stakeholders in a balanced manner.

Khalid bin Khalifa Al-Thani
Chairman

Appendix:
Board of Directors Bios

Sheikh Khalid bin Khalifa Al-Thani

Chairman

Non-Executive / Non-Independent Member

Qualifications and Experience:

Sheikh Khalid bin Khalifa Al-Thani holds a Master Degree in Business Administration (MBA) from Pacific Lutheran University, Tacoma, Washington, United States.

Khalid bin Khalifa Al Thani was appointed Chief Executive Officer (CEO) of QatarEnergy LNG Operating Company Limited (QatarEnergy LNG) in 2010. He also serves as Vice Chairman and CEO of the QatarEnergy LNG group of companies.

Before his appointment to QatarEnergy LNG, Sheikh Khalid was Director of Ras Laffan Industrial City since 2007 and prior to that he held the position of Business Development Manager of Mesaieed Industrial City. Sheikh Khalid held various key positions in QatarEnergy since joining the corporation in 1991..

Other positions*:

Vice Chairman, Milaha

Chairman of the Board of Directors of Qatar National Cement Company

Number of shares in GIS:

Nil

Mr. Saad Rashid Al-Muhannadi

Vice Chairman

Non-Executive / Non-Independent Member, representing Woqod Vehicle Inspection (FAHES)

Qualifications and Experience:

Saad Rashid Al-Muhannadi obtained BSC in Industrial & Systems Engineering from the University of Southern California (USC), LA. USA 1990.

Saad joined QatarEnergy Engineering Department as a Developee in 1990.

He held various positions within the Engineering Business Department before he was appointed as Engineering Business Manager in 2001 where he was responsible for a wide spectrum of duties.

Saad became the first Corporate Manager – Contracts in 2003, reporting to the Managing Director (MD) of QatarEnergy, where a Centralized Contracts Department was established to serve all QatarEnergy Departments. This included the development of Systems, Processes with a full suite of related procedures.

In June 2006 Saad was appointed to the post of Director Technical and was reporting to the Managing Director (MD) of QatarEnergy.

Executive responsibility for planning, directing controlling and executing a diverse range of Oil and Gas related and Civil Infrastructure Capital Projects.

Saad was appointed as Chief Executive Officer of Qatar Chemical Company Limited (Q-Chem) in September 2015.

In April 2017, he was appointed as the Chief Executive Officer of WOQOD.

In July 2019, he was appointed as the managing Director and CEO of WOQOD.

In April 2021, he was appointed as Vice -Chairman of GIS.

In April 2021, he was appointed as Vice-Chairman of GIS..

Other positions*:

Managing Director and CEO, WOQOD

Number of shares in GIS:

97100

Mr. Ghanim Mohammed Al-Kuwari

Chairman of the Nomination and Remuneration Committee

Non-Executive / Non-Independent Member

Qualifications and Experience:

Mr. Ghanim Mohammed Al-Kuwari obtained Bachelor of Science in Computer Science from the University of Wisconsin in 1986.

Mr. Al-Kuwari joined QatarEnergy in 1986 as fresh graduate in Information Systems Division. He has held various positions from 1989 to 1993.

In 1993, he was seconded to QatarEnergy LNG and shortly became IT Manager. In 2006, he was promoted to the position of Chief Operating Officer-Administration. He is currently the Chief Human Capital Officer in QatarEnergy LNG.

Other positions*:

Nil

Number of shares in GIS:

34160

Mr. Mohammed Ibrahim Al-Mohannadi

Member of the Nomination and Remuneration Committee

Non-Executive member / Non-Independent

Qualifications and Experience:

Mr. Ghanim Mohammed Al-Kuwari obtained Bachelor of Science in Computer Science from Mr. Mohamed Al Mohannadi holds the CEO position of Gulf Helicopters Company (GHC) since 2008 and Board of Director since 2011, Mr. Mohamed Al Mohannadi has been associated with Gulf Helicopters since November 1994. Earlier to this, Mr. Al Mohannadi held the position of Customer Services Manager with Gulf Air in Doha. He holds an aviation management degree from Florida Institute of Technology, USA.

Mr. Al Mohannadi is a proven entrepreneur and strategic leader who translates business strategies into maximum profits aligned with efficient, safe and quality service conforming to International Standards.

Mr. Mohammed Al-Mohannadi implemented a strategic plan to expand the network of Gulf Helicopters and build a modern fleet and was able to bring about comprehensive changes and an advanced philosophy that takes the quality of services as its starting point.

Other positions*:

Nil

Number of shares in GIS:

19420

Mr. Ali Jaber Al Marri

BAC member

Member of the Nomination and Remuneration Committee

Non-Executive / Non-Independent Member, representing General Retirement and Social Insurance Authority

Qualifications and Experience:

Mr. Ali Jaber Hamad Al Marri earned a Master of Business Administration from Gulf University, Bahrain, in 2009. He was graduated with a bachelor's degree in accounting from Beirut Arab University in 1999. He had also received a Diploma in Commerce in 1991.

Mr. Al-Marri currently holds the position of Director of the Internal Audit Department at General Retirement and Social Insurance Authority (GRSIA).

He has 36 years of experience in the management of financial and administrative affairs, human resources. Mr. Al-Marri participated in developing GRSIA strategic plans, objectives, vision, mission and reflection in achieving the general objectives of GRSIA in a manner that leads to improved effective performance.

Other positions*:

Nil

Number of shares in GIS:

Nil

Sheikh Jassim bin Abdullah Al-Thani

BAC member

Non-Executive / Independent Member, representing Qatar Investment Authority

Qualifications and Experience:

Sheikh Jassim bin Abdullah Al-Thani obtained a Bachelor Degree (B.SC) in Administrative Science and Economic majoring in Accounting from Qatar University in 2005.

Sheikh Jassim started his career as an Assistant Manager at the Qatar Takaful Company and was promoted to Assistant General Manager in 2006 and worked in that position until 2009. He then worked in the Business Development Department of QIA for 5 years and subsequently worked in the Training Department for two years. He is currently working as a Senior Performance Analyst within the CFO Office of QIA, a position he has held since April 2016.

Other positions*:

Nil

Number of shares in GIS:

Nil

Mr. Mohammed Nasser Al-Hajri

BAC Chairman

Non-Executive member / Independent, representing Qatar Electricity & Water Company

Qualifications and Experience:

Mr. Mohammed Nasser Al-Hajri holds a Master's degree in Gas Engineering from University of Salford in the United Kingdom and Bachelors' degree in Chemical Engineering from Qatar University.

He Jointed Qatar Electricity & Water Company in 2021.

He joined QatarEnergy in 1991 and brings a wealth of business and operational experience of more than 32 years of upstream and downstream oil & gas and manufacturing industries.

Mr. Al- Hajri held different leadership roles in QatarEnergy since 1991 and his last position was Executive Vice President of Downstream Development Directorate.

Other positions*:

Managing Director and General Manager of Qatar Electricity & Water Company (QEWC)

Number of shares in GIS:

33280

Positions on the Boards of other public shareholding companies. GIS Directors may also have positions in other entities / companies.

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