



Gulf International Services

Investor Relations Presentation

31 December 2021

DISCLAIMER

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

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

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

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GENERAL NOTES

Gulf International Services Q.P.S.C.’s accounting year follows the calendar year. No adjustment has been made for leap years. Values expressed in US \$’s have been translated at the rate of US \$1 = QR3.64.

DEFINITIONS

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



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About GIS

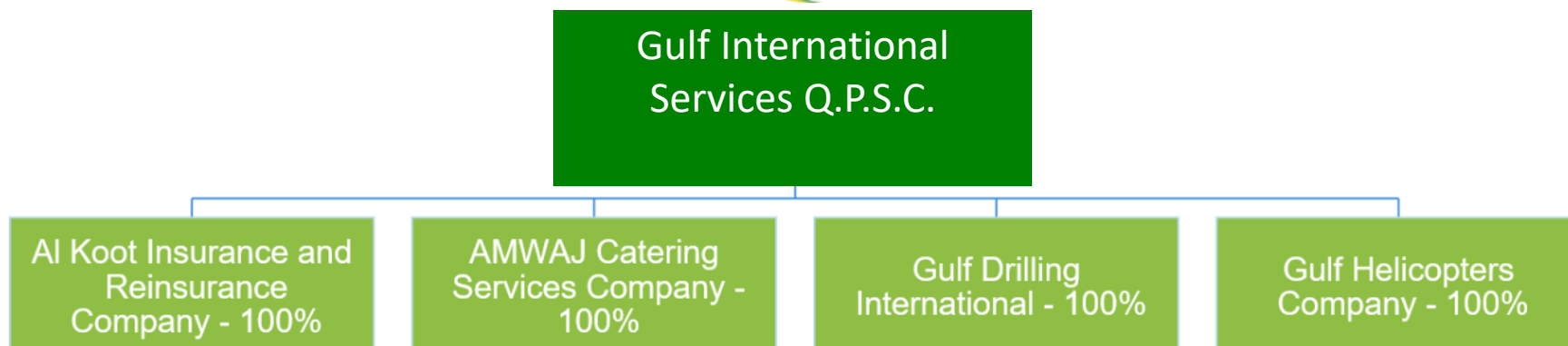
About GIS

- Gulf International Services Q.P.S.C. was incorporated as a Qatari joint stock company on February 12, 2008.
- The authorized share capital is QR 2 billion with an issued share capital consisting of 1.85 Billion ordinary shares and 1 special share, with 49% of the market capitalization as a foreign ownership limit, and a maximum shareholding size for general shareholders of 2.0% of the issued share capital.
- QatarEnergy provides most of the head office functions for Gulf International Services through a comprehensive service-level agreement.
- The operations of the subsidiaries remain independently managed by their respective Boards of Directors and senior management teams.



Group Structure

- Through group companies, Gulf International Services operates in four distinct segments - insurance and reinsurance, drilling, helicopter transportation and catering services.
- QatarEnergy owns 10% of GIS shares, and General Retirement and Social Insurance Authority owns ~22.1%.

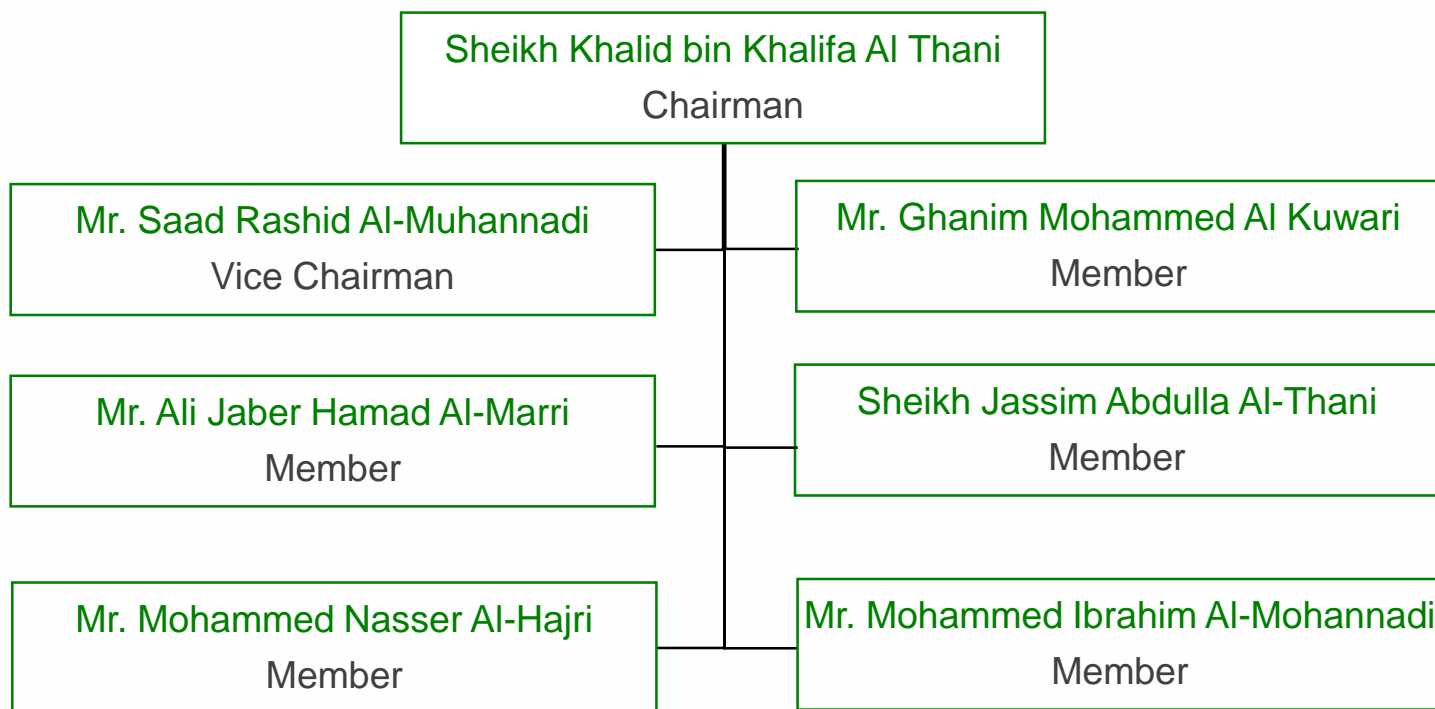


- All of the subsidiaries are 100% owned by GIS.



Board of Directors

The Board of Directors of the group consists of:



Competitive Advantages

- The only Qatari drilling services provider.
- Maintaining market share of over 50% of offshore and 100% on shore oil & gas drilling services.
- Fleet with a proven track record.

Reputable
provider for
drilling
services

Leading
aviation
service
provider

- Sole provider of oil & gas helicopter services in Qatar
- One of the largest operator in the MENA.
- Modern and well maintained fleet.
- Regionally diversified operations.

Experienced
senior
leadership
team

- Selected experienced management team in different service industries
- Internationally diversified management team.

Diversified
holding

- Operating in diversified segments.
- One of the leading medical insurance providers
- Providing catering services for Offshore operations.

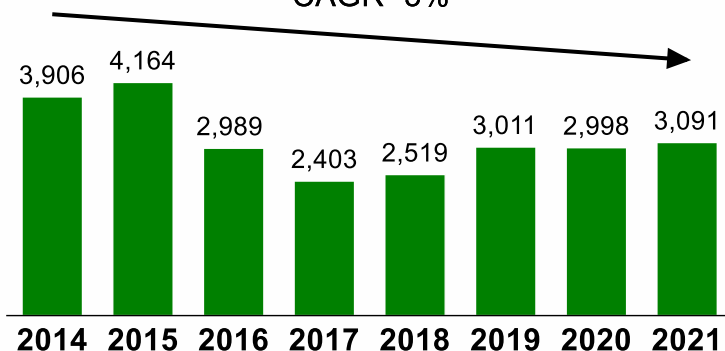


Results at a glance (2014-2021)

Results at a Glance (2014-2021)

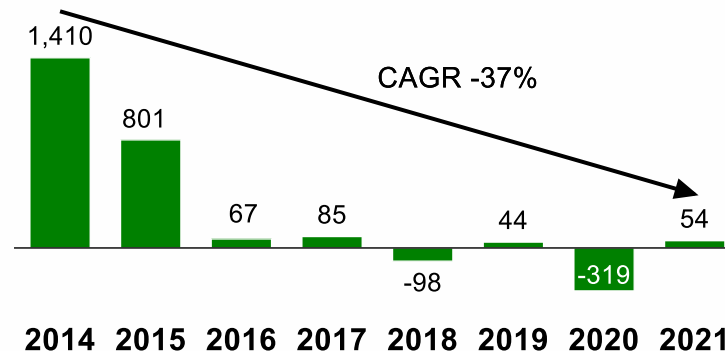
Revenue (QR million)

CAGR -3%



Net profit (QR million)

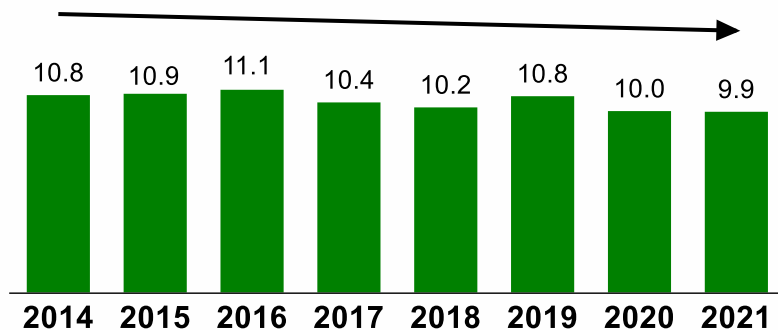
CAGR -37%



- **Revenue** peaked in 2015 with overall trajectory remained in line with cyclical movements in crude oil prices
- **Net profit** dropped after the peak in 2014, due to overall movements in revenue and increase in financing costs
- **Total Assets** significantly increased in 2014 due to acquisition of 30% stake in GDI and afterwards remained fairly stable
- **Total Debt** significantly increased in 2014 due to new financing obtained in relation to acquisition of the remaining stake in GDI, as well as, acquisition of new drilling assets.

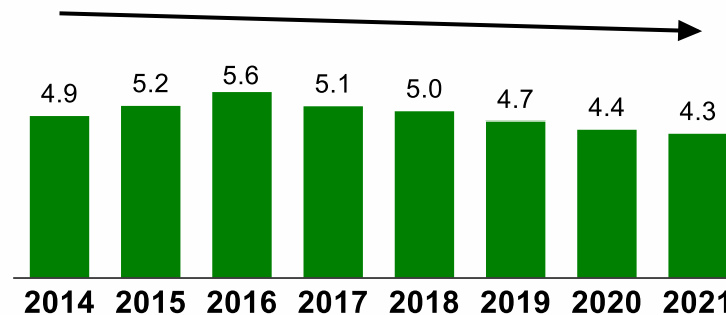
Total Assets (QR billion)

CAGR -1%



Total Debt (QR billion)

CAGR -2%



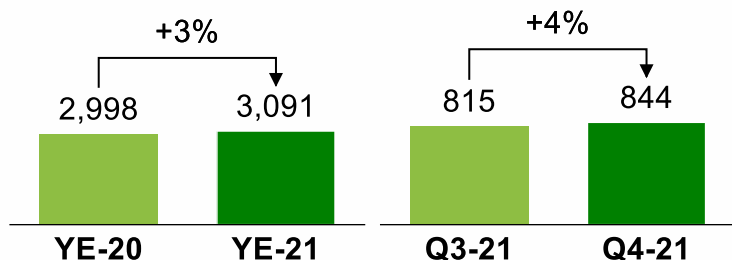
Results at a glance

(For the year ended 31 December 2021)

Results at a Glance

For the year ended 31 December 2021

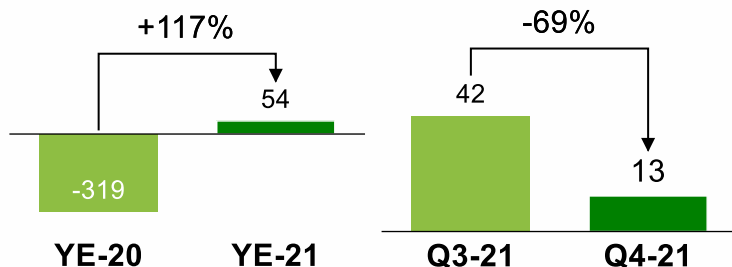
Revenue (QR million)



YE-21 vs YE-20: Revenue increased by 3% on last year. Revenue growth from insurance, aviation and drilling segments was mainly offset by a negative growth in revenue from catering segment

Q4-21 vs Q3-21: Revenue increased by 4% in Q4-21, mainly on account of growth in revenue from aviation, catering and drilling segments, partially offset by a decline in revenue from insurance segment.

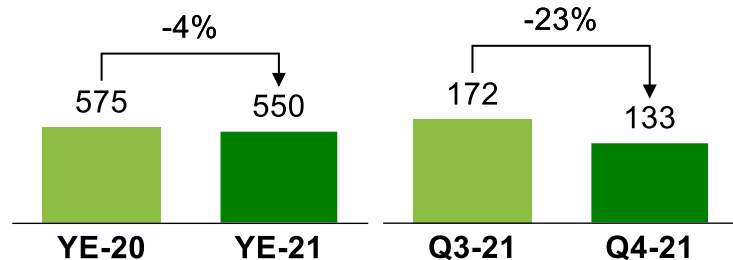
Net profit / (loss) (QR million)



YE-21 vs YE-20: Profitability improved mainly due to the overall growth in revenues, absence of impairment provisions (QR 308 m) booked last year, savings in general & admin. expenses, finance costs and positive movements on account of unrealized gains on revaluation of investment securities.

Q4-21 vs Q3-21: Profitability declined versus Q3-21, mainly due negative foreign currency movements, impairment provisions on financial assets, negative market-to-market movements and higher operational cost accruals.

EBITDA (QR million)



YE-21 vs YE-20: EBITDA declined compared to last year mainly due to higher direct costs, partially offset by slightly higher revenues.

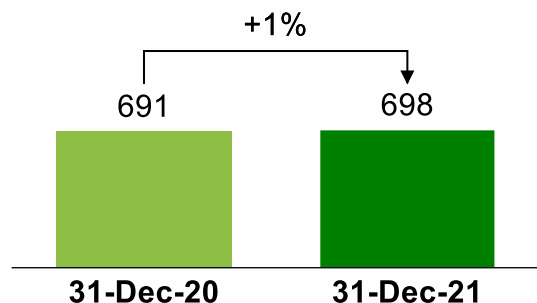
Q4-21 vs Q3-21: EBITDA declined mainly due to overall decline in Group's profitability.



Results at a Glance

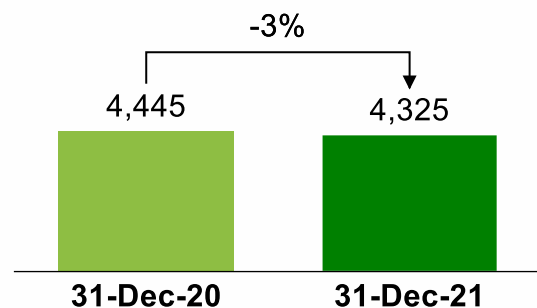
For the year ended 31 December 2021

Cash Balance (including Short-Term investments - QR million)



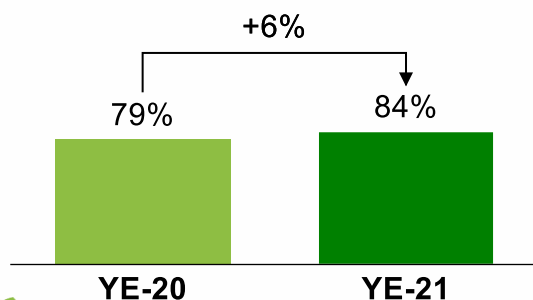
Cash balance marginally improved compared to last year-end.

Total Debt (QR million)



Total debt marginally declined by 3% compared to last year-end. GDI debt represents 99% of total group debt while the remaining 1% is from H/O & GHC.

Av. Rig Utilization (%)¹



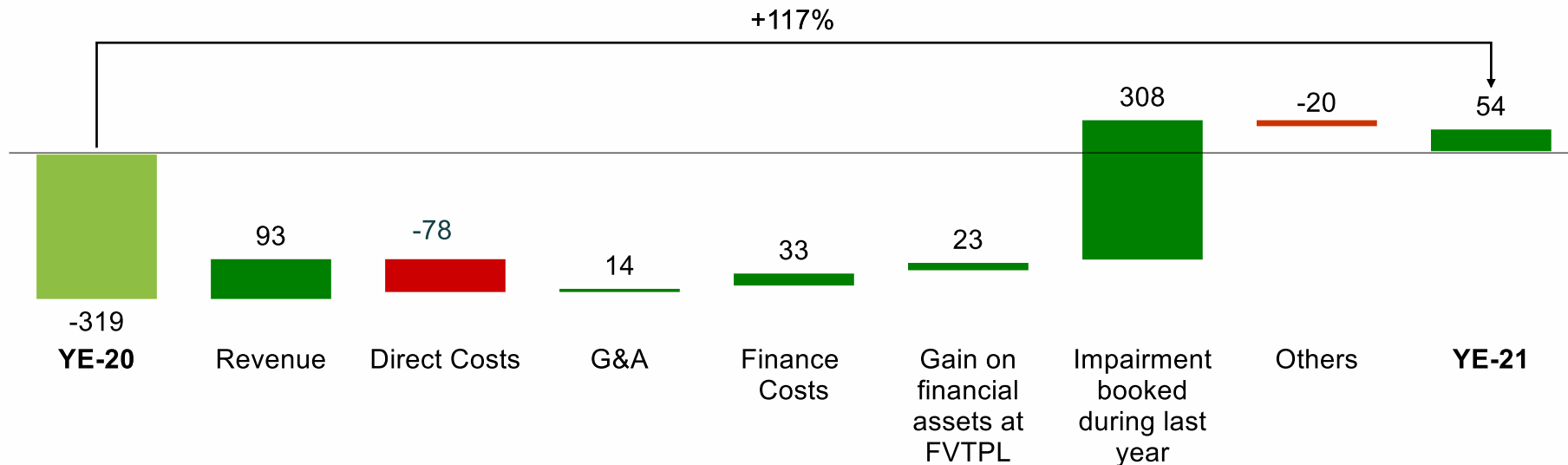
Rig utilization improved by 6% compared to last year, on account of better operating environment with certain suspended rigs became operational during the current year.



Net Profit

For the year ended 31 December 2021

Amounts reported in QR' millions



Growth in revenue coupled with savings on account of General & Administrative expenses & Finance cost, led to an overall positive growth in profitability. This was partially offset by higher direct costs, on account of increased business activity. Moreover, an impairment provision amounting to QR 308 million booked during last year, significantly impacted last year's profitability compared to current year.



Segmental Details

Segmental Details

Drilling Segment

- **Gulf Drilling International (GDI)** incorporated in 2004 as a joint venture between QatarEnergy (60%) and Japan Drilling Company (40%).
- In 2014, GIS acquired the remaining stake of GDI, resulting in GDI becoming a wholly owned subsidiary of GIS.
- GDI is a world class drilling company and a market leader in Qatar that focuses on providing safe, efficient & cost effective drilling, Liftboat and Jack-up Accommodation services.
- GDI Assets consist of:
 - 7 offshore rigs.
 - 8 onshore rigs
 - 1 Accommodation- Jackup
 - 2 liftboats
- GDI in joint venture with Seadrill Limited, has formed 'Gulf Drill JV' with a 50% stake, with an objective to support the execution of the drilling contracts which have been awarded to GDI in relation to the North Field Expansion project. The contract cover provision of premium jack-up rigs, which commenced operations in various phases during 2020 & 2021.



Segmental Details

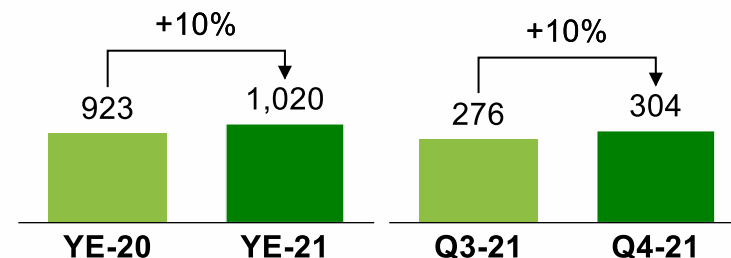
For the year ended 31 December 2021

Drilling Segment

- YE-21 vs YE-20: revenue up by 10%, mainly due to deployment of two onshore rigs and better rig day-rates for the offshore fleet.
- Q4-21 vs Q3-21: segmental revenue continued to improve on the back of improved business performance.

Revenue

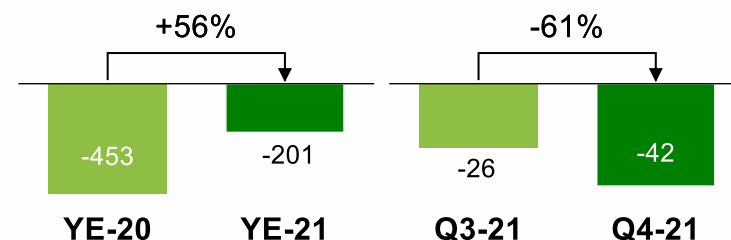
QR million



- YE-21 vs YE-20: Decline in net losses was primarily linked to growth in revenue, lowered finance costs and absence of impairment provisions.
- Q4-21 vs Q3-21: Losses for the segment increased due to higher operational cost accruals.

Net loss (before taxes)

QR million



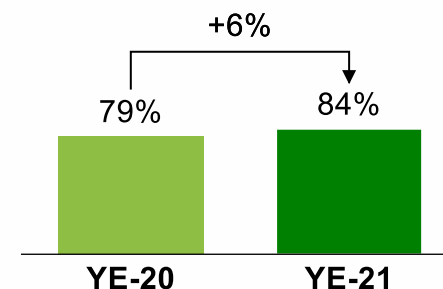
Segmental Details

For the year ended 31 December 2021

Drilling Segment

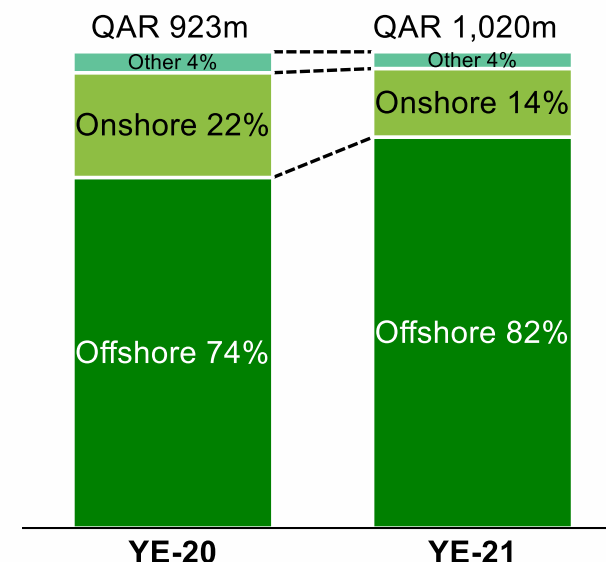
- Rig utilization improved by 6% compared to last year, on account of better operating environment with certain suspended rigs became operational during the current year.

Rig utilization (%)¹



- Offshore operations continue to contribute significantly towards the segment's topline.

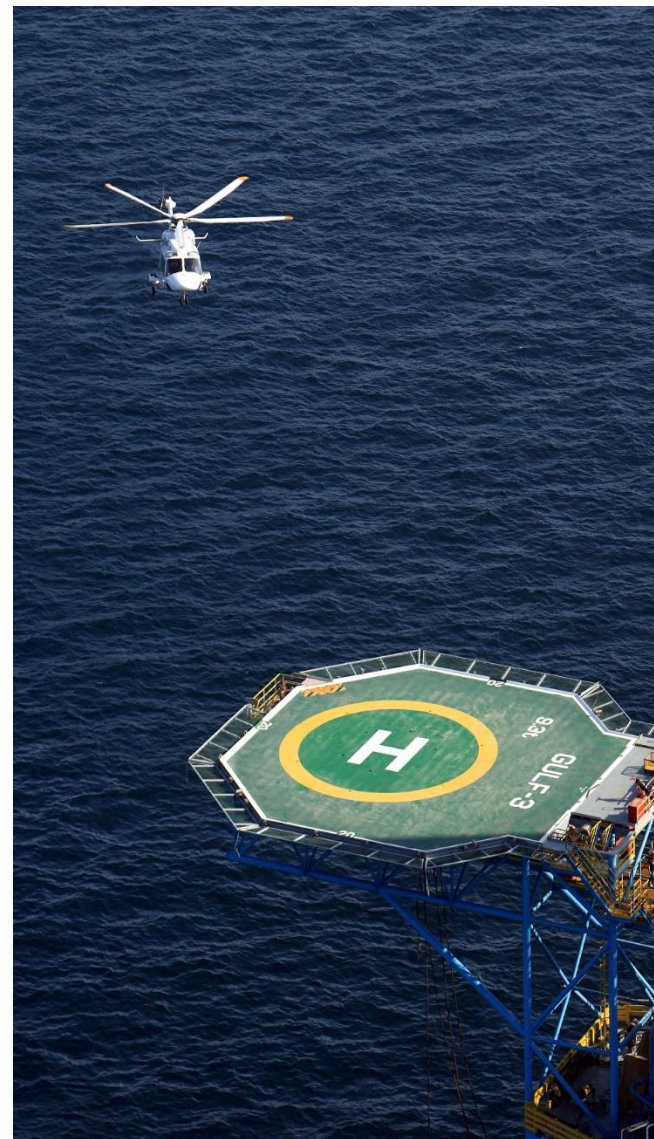
Revenue Mix



Segmental Details

Aviation Segment

- **Gulf Helicopter Company (GHC)** is one of the leading commercial aviation service provider. With global footprints extending from Europe , Africa, Middle East, and South Asia with a fleet of **59 aircrafts**;
- **GHC has 3 Direct subsidiaries:**
 - **Al Maha Aviation Company:** 100% ownership.
 - **Redstar Havacilik Hizmetleri A.S.** In Turkey: 100% ownership
 - **United Helicharters Pvt Ltd (90%), India**
- **GHC has also investment in joint ventures in the following countries:**
 - **Gulf Med Aviation Services Ltd (49%), Malta**
 - **Air Ocean Maroc (49%), Morocco**

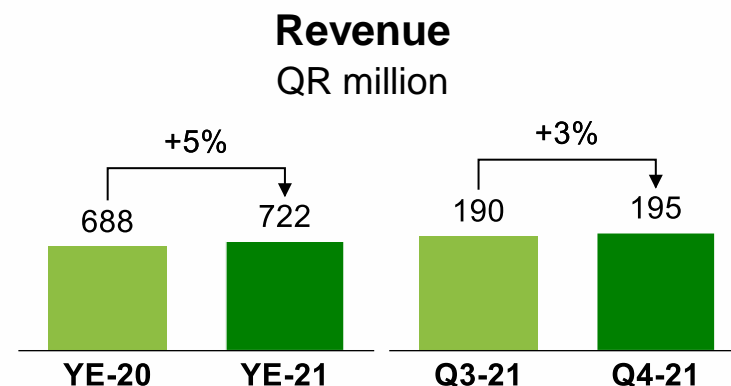


Segmental Details

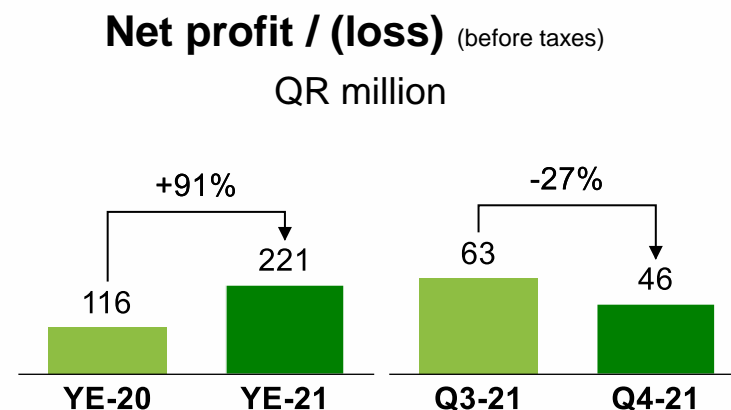
For the year ended 31 December 2021

Aviation Segment

- YE-21 vs YE-20: The increase was mainly attributed to higher flying hours, coupled with growth in revenue noted across all the operations.
- Q4-21 vs Q3-21: Segment revenue for Q4-21 versus Q3-21 increased by 3%, mainly due to continued improvement in flying hours.



- YE-21 vs YE-20: Profitability improvement was mainly supported by overall growth in segmental revenues.
- Q4-21 vs Q3-21: profitability declined by 27%, as the segment booked foreign currency revaluation losses on results from the Turkish subsidiary amounting to QR 21 million and impairment provisions recognized in relation to overdue receivables amounting to QR 13 million.



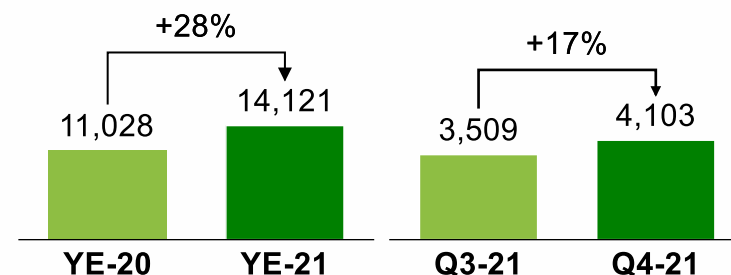
Segmental Details

For the year ended 31 December 2021

Aviation Segment

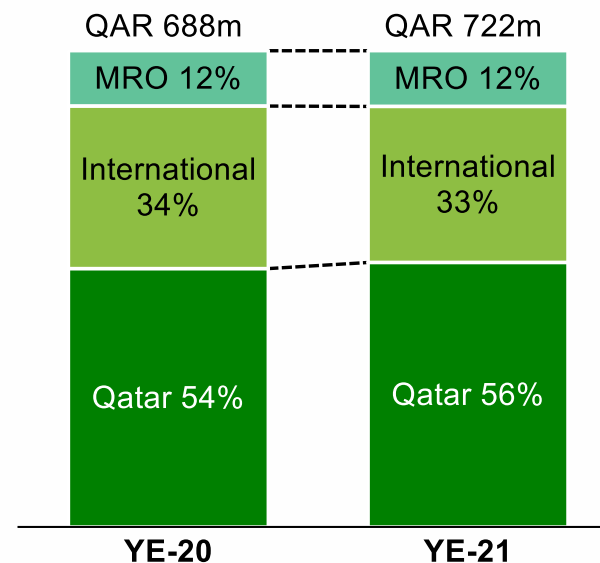
- Aviation segment continue to witness improved performance with better flying activity within both domestic and international operations on account of ease of restrictions.

Actual Flying hours



- Qatar Operations continue to remain a key contributor to the overall segment revenue.

Revenue Mix



Segmental Details

Insurance Segment

- **Alkoot insurance**, incorporated in 2003, is mainly engaged in business of medical and general insurance and reinsurance activities, except for vehicle insurance & individual insurance against risk of death and accidents.
- In 2008, QatarEnergy transferred the ownership of Al-Koot to GIS. The company has changed its operations, from a captive insurer to a fully commercial insurance and re-insurance company in 2016.
- The company has a large client base within both the medical and energy segments, and is one of the largest insurance providers in Qatar.

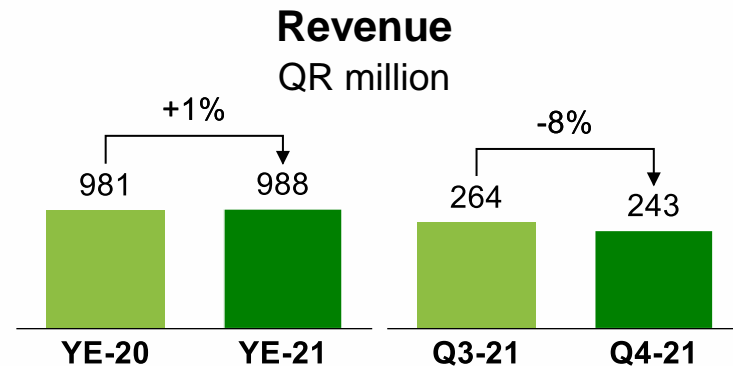


Segmental Details

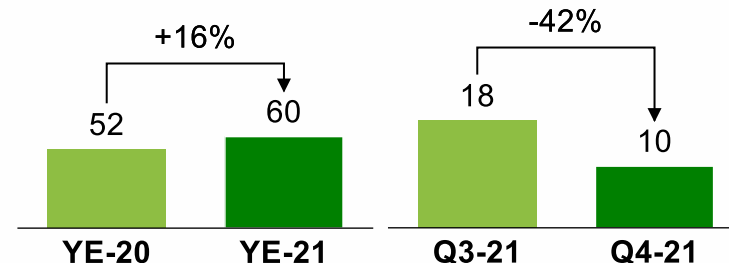
For the year ended 31 December 2021

Insurance Segment

- YE-21 vs YE-20: Growth in revenue was mainly due to higher premiums from general insurance segment, almost entirely offset by decline in premiums from the medical line of business.
- Q4-21 vs Q3-21: Segment revenue for Q4-21 decreased by 8%, mainly due to expiry of certain policies without renewals during Q4-21.



Net profit / (loss) (before taxes)
QR million



- YE-21 vs YE-20: Strong growth in net earnings was mainly due to recovery in investment portfolio on the back of rebound in capital markets, partially off-set by higher claims incurred during 2021.
- Q4-21 vs Q3-21: Q4-21 profitability declined, mainly on account of decline in revenue and unrealized losses reported within its investment portfolio due to negative movements in capital markets.



Segmental Details

For the year ended 31 December 2021

- YE-21 vs YE-20: Actual claims up on last year, mainly due to increase in general insurance claims.
- Q4-21 vs Q3-21: Actual claims decline mainly due to lesser general insurance claims, partially offset by higher medical insurance claims.

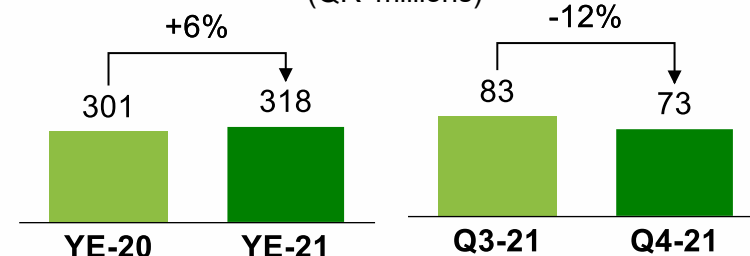
- Unrealized income on revaluation of investment securities significantly up on 2020, as a result significant recovery in capital markets.

- Medical insurance leads the overall contribution to the segment's revenue mix.

Insurance Segment

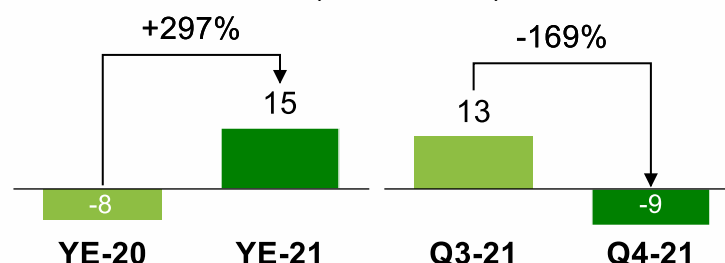
Actual claims incurred

(QR 'millions)

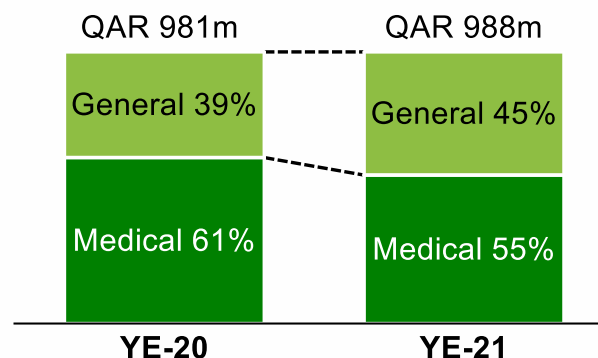


Analysis of unrealized income / (losses) on revaluation of investment securities

(QR 'millions)



Revenue Mix



Segmental Details

Catering Segment

- Amwaj Catering Services Company, incorporated in 2006 as a wholly-owned subsidiary of QatarEnergy
- Amwaj was subsequently acquired by GIS in 2012.
- Amwaj Provides diverse services which include:
 - Business & Industrial catering
 - Corporate Hospitality & VIP dining
 - Cleaning & Janitorial Services
 - Camp Management
 - Pest Control
 - Office & Manpower Services



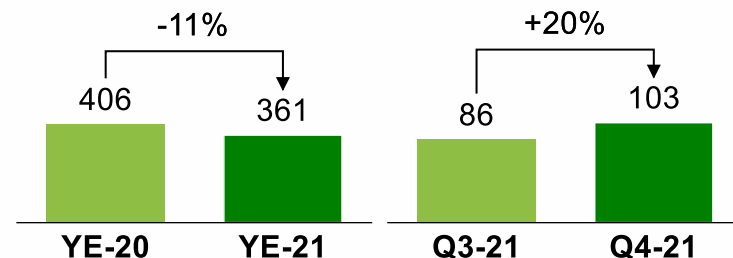
Segmental Details

For the year ended 31 December 2021

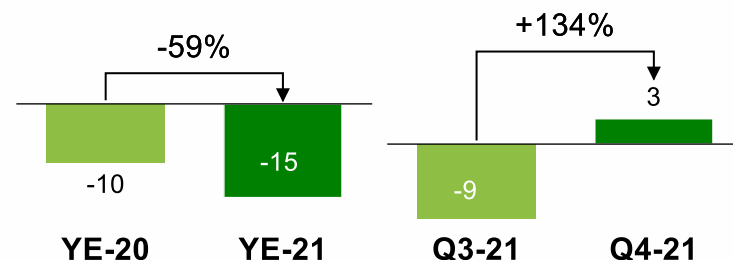
Catering Segment

- YE-21 vs YE-20: a decline of 11% in segmental revenue, was mainly due to ongoing COVID-19 related restrictions resulted in lower number of meals being served across majority of catering locations, coupled with a loss of some contracts.
- Q4-21 vs Q3-21: Segment revenue for Q4-21 improved by 20% due to gradual lift of restrictions from certain catering locations resulting in better catering related revenues, and improved revenue from manpower business.
- YE-21 vs YE-20: Net loss increased mainly due to lowered margins and declining revenues.
- Q4-21 vs Q3-21: Overall growth in segmental revenue for Q4-21 led to a positive movement in the segment's net earnings and the segment turned to profits during the quarter.

Revenue QR million



Net loss (before income taxes) QR million



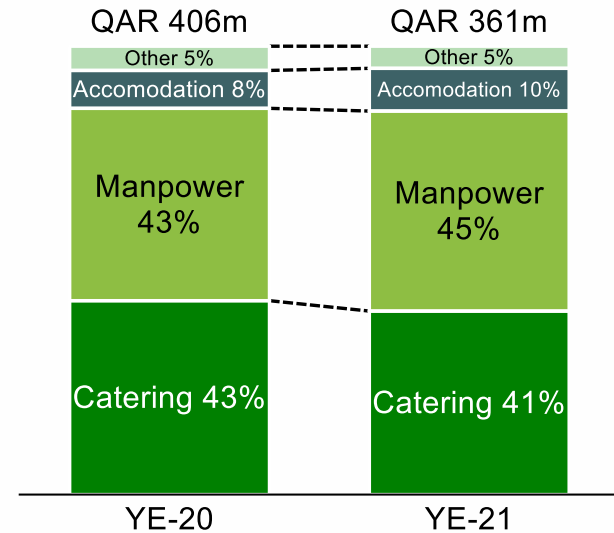
Segmental Details

For the year ended 31 December 2021

Catering Segment

- Catering and manpower businesses continue to remain key contributors to the segment's revenues.

Revenue mix



Governance Structure

Governance Structure

Board Structure

- GIS Board of Directors consists of seven (7) Directors, three (3) Directors of whom were appointed by the Special Shareholder, which is QatarEnergy, and four (4) Directors were elected with effect from 10/03/2021.
- 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.

Board Committees

- The Board of Directors established Board Committees and Special Committees to carry out specific tasks. The Board remains liable for all the powers and authorities so delegated. Currently, Board Committees are (i) Audit Committee (ii) Nomination and Remuneration Committee, and (iii) Steering Committee

Governance and Compliance

- GIS is firmly committed to implementing the principles of good governance set out in the Governance Code for Companies Listed on the Main Market issued by Qatar Financial Markets Authority (QFMA), that are consistent with the provisions of the Company's AoA.
- 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 implementation whenever required.

Authorities

- No one person in the Company has unfettered powers of decision. Decision-making process is always done in accordance with the Company's Manual of Authorities and the relevant regulations.



Governance Structure

Remuneration

• Board of Directors

- The Company has developed a periodically revisited remuneration policy for Board members. The policy has fixed component for Board membership and attending meetings and performance-related variable component. The proposed remuneration of Board members shall be presented to the General Assembly for approval.

• Executive Management

- All financial, administrative and head office services are provided by resources from QatarEnergy under a service-level agreement

Shareholders rights

- The Company's Articles of Associations provide for the rights of shareholders, particularly the rights to receive dividends, attend the General Assembly and participate in its deliberations and vote on decisions, tag along rights as well as the right to access information and request it with no harm to the Company's interests.

Disclosure and Transparency

- The Board ensures that all disclosures are made in accordance with the requirements set by regulatory authorities, and that accurate, complete and non-misleading information is provided to all shareholders in an equitable manner.

Company's control system

- The Company adopted an internal control system that consists of 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 framework is overseen by the senior Executive Management, the Audit Committee and the Board of Directors.





الخليج الدولية للخدمات ش.م.ق
Gulf International Services QSC

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