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

Gulf International Services

Investor Relations Presentation

30 September 2020

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

TABLE OF CONTENT

About GIS

About GIS

- Gulf International Services Q.P.S.C. was incorporated as a Qatari joint stock company on February 12, 2008.
- Qatar Petroleum provides most of the head office functions for Gulf International Services through a comprehensive service-level agreement.
- 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.
- 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.
- Qatar Petroleum owns 10% of GIS shares, and General Retirement and Social Insurance Authority owns ~22.4%.

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

Board of Directors

The Board of Directors of the group consists of:

Sheikh Khalid Khalifa Al Thani
Chairman

Mr. Ali Jaber Hamad Al-Marri
Vice Chairman

Mr. Ghanim Mohammed Al Kuwari
Member

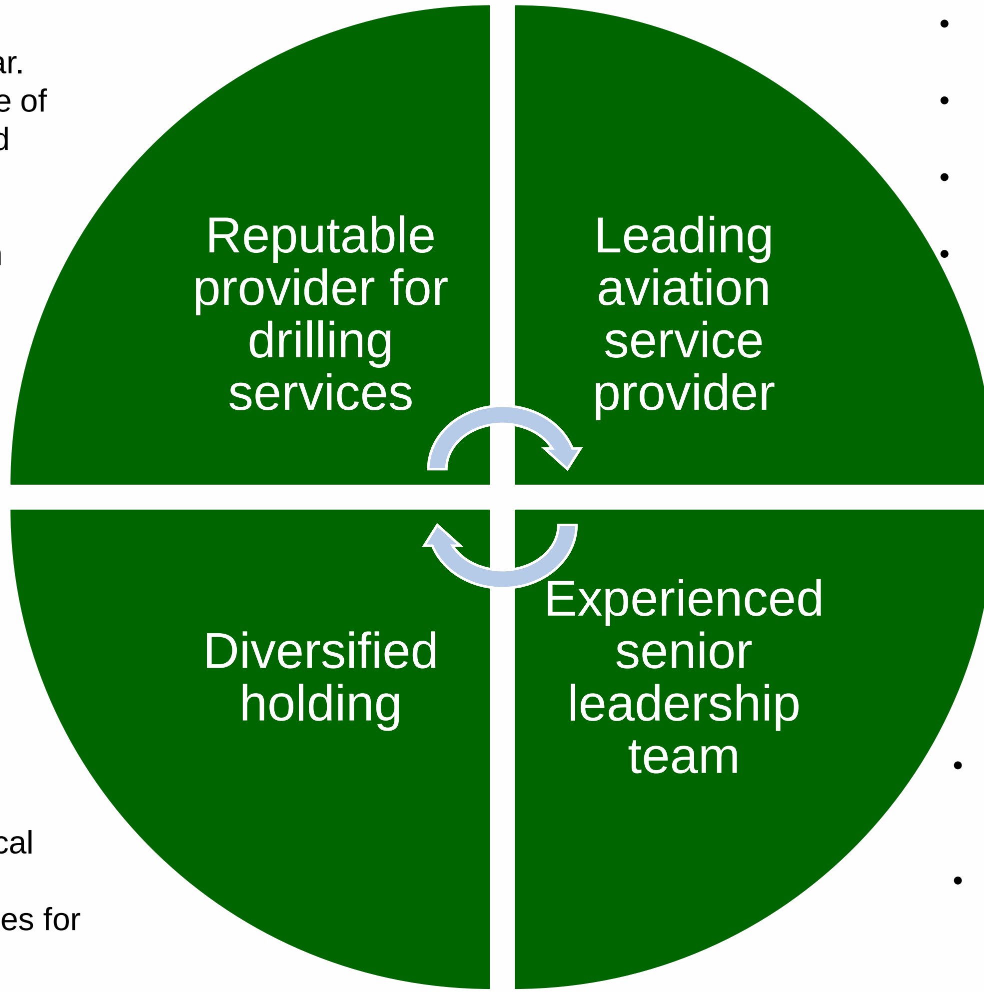
Mr. Saad Rashid Al-Muhannadi
Member

Sheikh Jassim Abdulla Al-Thani
Member

Competitive Advantages

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

- 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.



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

- Selected experienced management team in different service industries
- Internationally diversified management team from across the globe.

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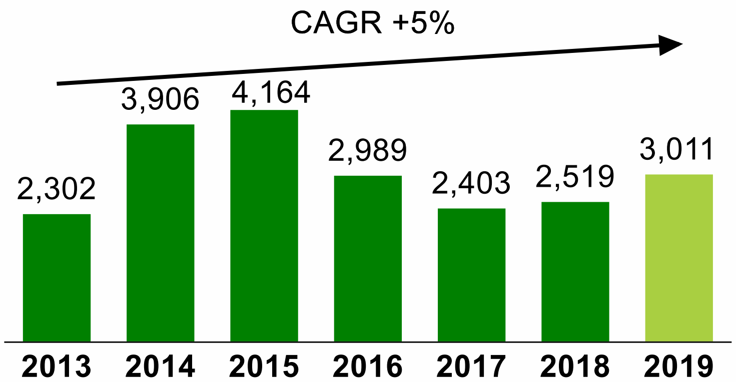
Gulf International Services QSC

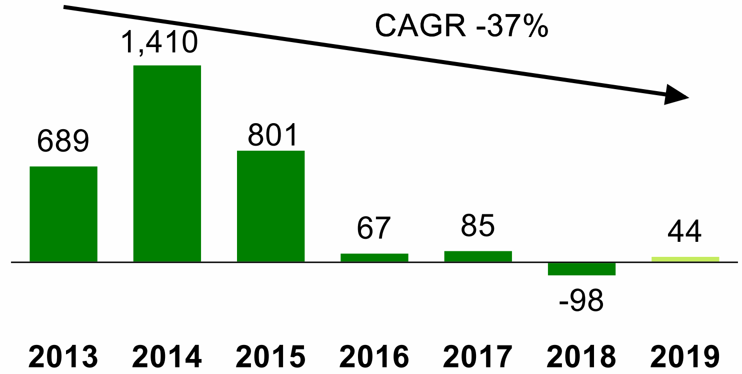
Results at a glance (2013-2019)

Results at a Glance (2013-2019)

Revenue (QR million)

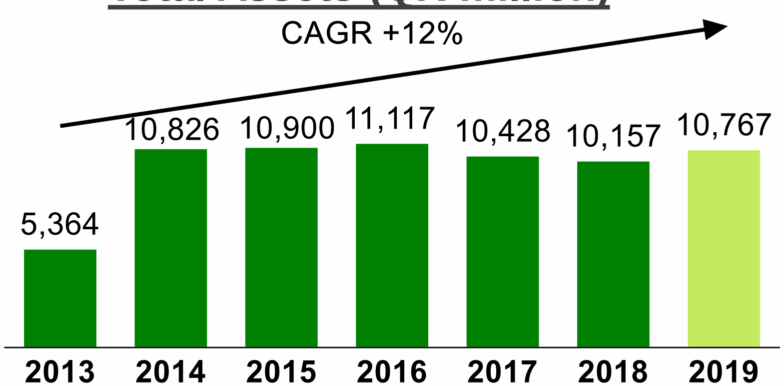


Net profit (QR million)

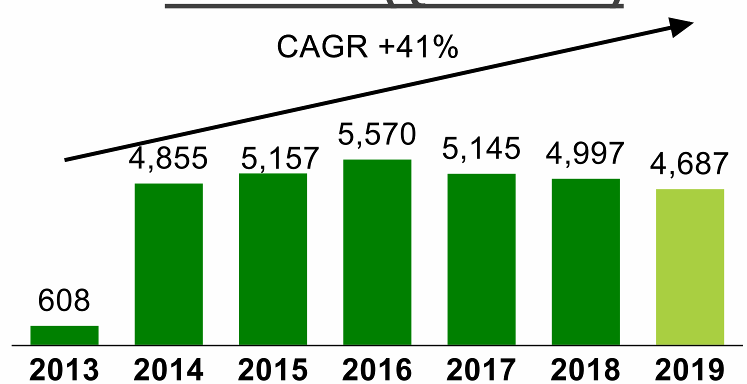


Revenue peaked in 2015 with overall movement in line with crude oil prices • Net profit dropped after the peak due to increase in financing costs • Total Assets increased in 2014 due to the acquisition of 30% of GDI • Total Debt increased in 2014 due to financing for the acquisition of remaining stake in GDI, as well as new drilling assets.

Total Assets (QR million)



Total Debt (QR million)



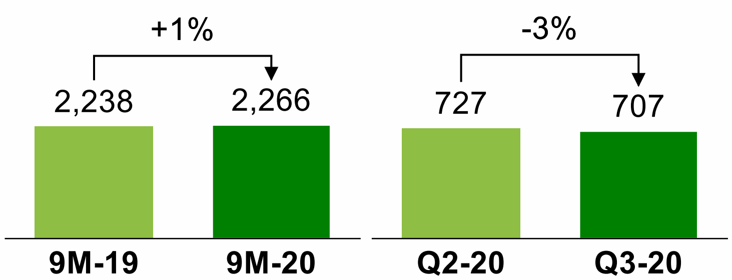
Note: CAGR means Compounded Annual Growth Rate

Results at a glance (For the period ended 30 September 2020)

Results at a Glance

For the period ended 30 September 2020

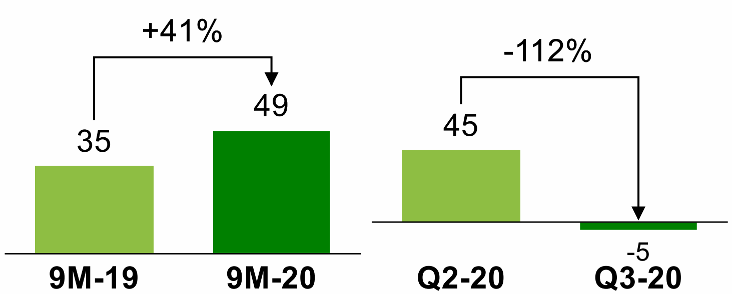
Revenue (QR million)



9M-20 vs 9M-19: Revenue growth amid capturing growth opportunities, expanding market share and major renewals of contracts across all segments, except for drilling.

Q3-20 vs Q2-20: Decline in revenue, mainly due to macroeconomic headwinds, amid COVID-19 lockdowns leading to depressed economic activity and oil price volatilities building negative sentiments in the oil and gas services industry worldwide.

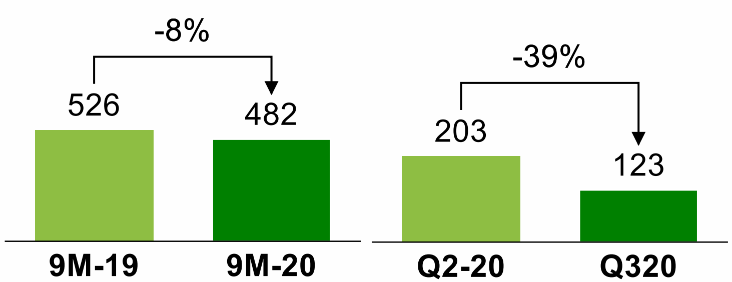
Net profit (QR million)



9M-20 vs 19M-19: Improved net profit, mainly due to improved revenues and reduced costs, specially finance costs. The growth in profitability was partially offset by unrealized loses incurred on the investment portfolio during 2020.

Q3-20 vs Q2-20: Significant decline in net profits mainly on account of negative growth in revenues within the drilling segment on the back of lowered asset utilization. Moreover, the insurance segment witnessed a reduction in bottom line profitability, due to lower investment income. The overall decline in the Group's profitability was slightly off-set by OPEX savings in the Aviation segment, on account of recent optimization initiatives.

EBITDA (QR million)



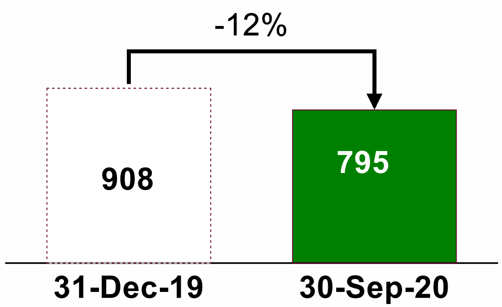
9M-20 vs 9M-19: EBITDA down compared to last year mainly due to the impact of unrealized loses incurred on investment portfolio within the insurance segment, partially offset by improved revenues.

Q3-20 vs Q2-20: EBITDA declined due to lesser recoveries made on unrealized revaluation losses incurred on the Group's investment portfolio in the start of year, compared to Q2-20. Also, the overall decline in revenue attributed to a Q-o-Q decline in EBITDA.

Results at a Glance

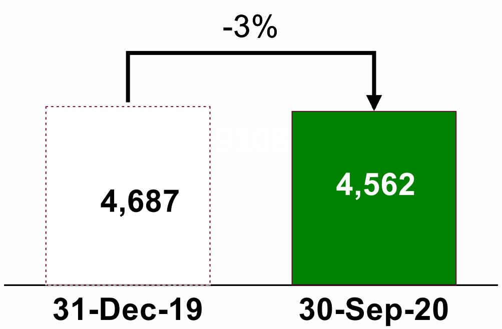
For the period ended 30 September 2020

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



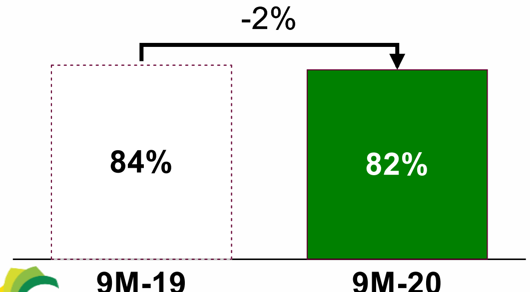
Cash balance slightly decreased compared to last year, mainly to lesser drawdowns and repayment of loan.

Total Debt (QR million)



Total debt witnessed a decline, mainly due to repayment of debt.

Contract Rig Utilization (Av. %)

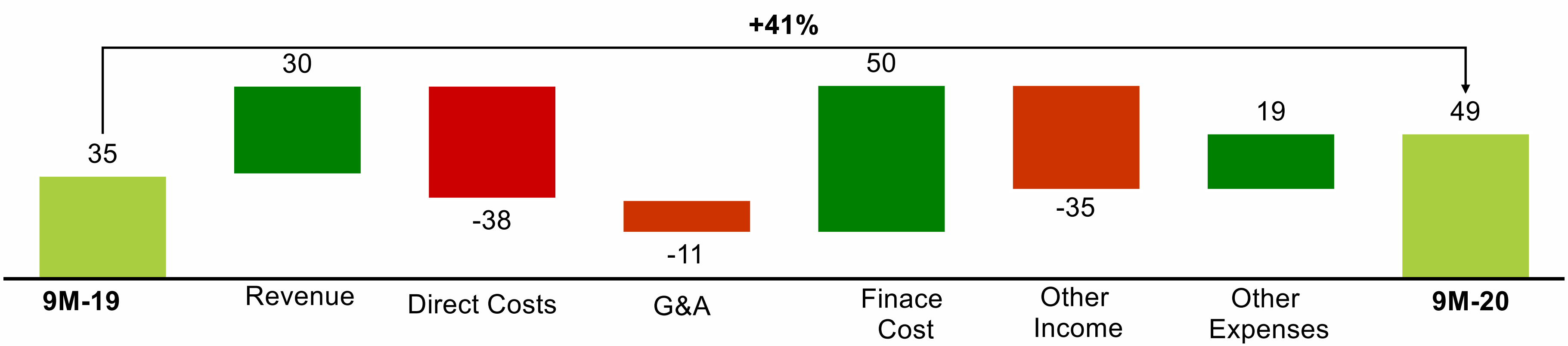


Rig utilization down by 2%, mainly due to GDI 3 and Msherib being off contract since last year, in addition to Al-Safliya from this year.

Net Profit

For the period ended 30 September 2020

Amounts reported in QR' millions



- **Revenue:** Increased compared to last year by 1%. All segments reported a positive variance, with exception of the drilling segment.

- **Direct Costs:** Costs at the Group level increased by 2%:
  - **Drilling**: cost reduction of 6% due to optimization measures and temporary rig suspension;
  - **Aviation**: remained flat although revenue increased, mainly due to lower maintenance and repair cost;
  - **Insurance:** increased mainly due to higher reinsurance costs offset by lower net claims;
  - **Catering:** increase by 6% as a result of higher staff and salaries costs relating to manpower contracts.

- **G&A Expenses:** Increased by 8% mainly due to increase in G&A expenses relating to aviation segment, in relation to management fees paid for Libyan operations, and certain legal and consultancy costs paid at the head office and insurance segment level. The increase in G&A expenses was partially offset by cost savings in the drilling & catering segments, amid cost optimization drive.

- **Finance Costs:** Down by 27%, primarily as a result of lower interest rates;

- **Other Income:** Significant reduction in other income, primarily impacted by the insurance segment as a result of lowered investment income, on account of unrealized losses incurred on the investment portfolio.

- **Other Expenses:** Reduced mainly due to a loss booked in Q1-2019, pertaining to disposal Al-Doha rig spare parts.

Segmental Details

Segmental Details

Drilling Segment

- Gulf Drilling International (GDI) incorporated in 2004 as a joint venture between Qatar Petroleum (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:
  - 8 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 is planned to commence operations in various phases in 2020 & 2021.

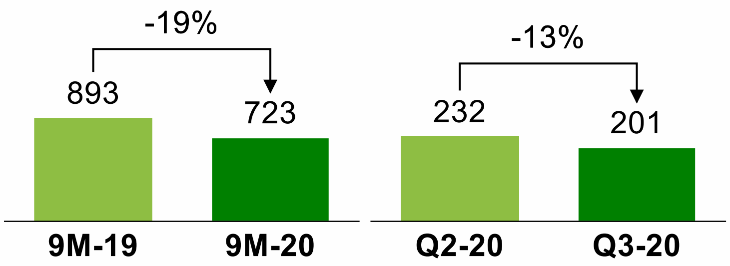
Segmental Details

For the period ended 30 September 2020

Drilling Segment

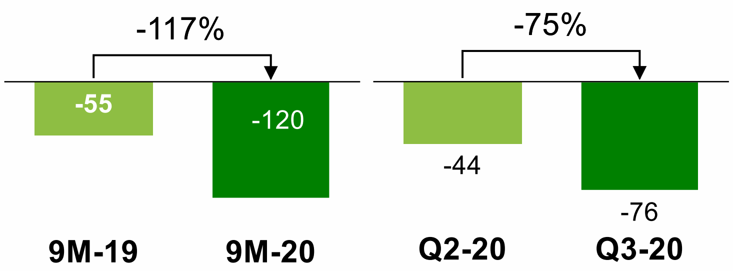
- 9M-20 revenue of QR 723 million, down by 19% on 9M-19, mainly due to premature rig suspension within the on-shore fleet, amid COVID-19 pandemic. However, the suspension is only for a temporary period and these rigs are expected to commence operations soon. Moreover, the rig day-rates, with effect from July 2020, had been repriced with lesser rates, amid sluggish demand outlook.
- The decline in rig utilization and day-rates caused an overall year-on-year decline in on-shore revenue by 54% and off-shore revenue by 12%.
- The negative year-on-year movement in revenue was partially offset by additional revenue streams from the GulfDrill JV, as two of the rigs have already commenced operations until nine period ended September 2020.
- Q3-20 revenue of QR 201 million, down by 13% on Q2-20, mainly due to the decline in rig day-rates.

Revenue
QR million



- 9M-20 net loss of QR 120 million, further increased by 117% on 9M-19, mainly due to decline in revenues which was partially offset by improved cost savings on account of optimization initiatives. In addition, segment profitability was also slightly supported by new revenue streams from GulfDrill JV and lower finance costs due to declining interest rates.
- Q3-20 profitability showed a negative growth compared to Q2-20, mainly due to the decline in revenue.

Net Loss
QR million



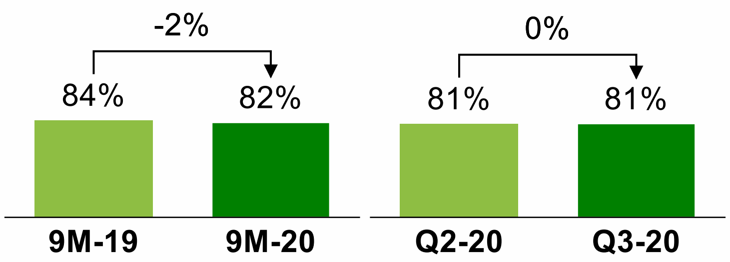
Segmental Details

For the period ended 30 September 2020

Drilling Segment

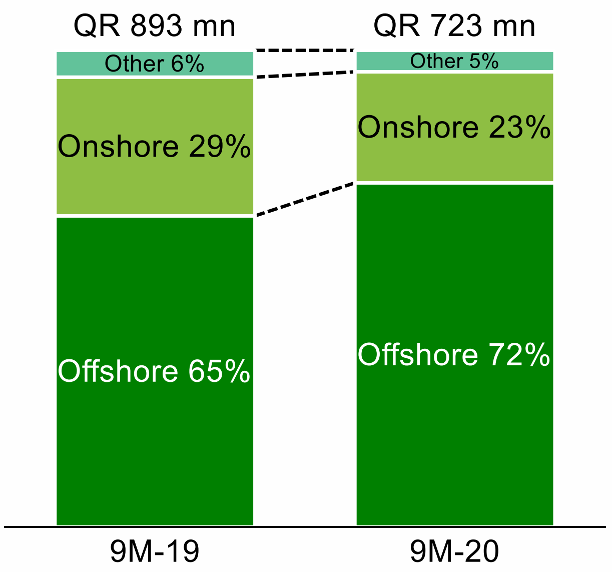
Rig utilization (%)

- Rig utilization remained depressed, mainly due to GDI 3 and Msherib being off contract since last year, in addition to Al-Safliya from this year.



Revenue Mix

- Offshore operations continue to contribute significantly to the segment's overall revenue.
- Decline in onshore revenue is due to the overall decline in utilization rates for the onshore fleet.



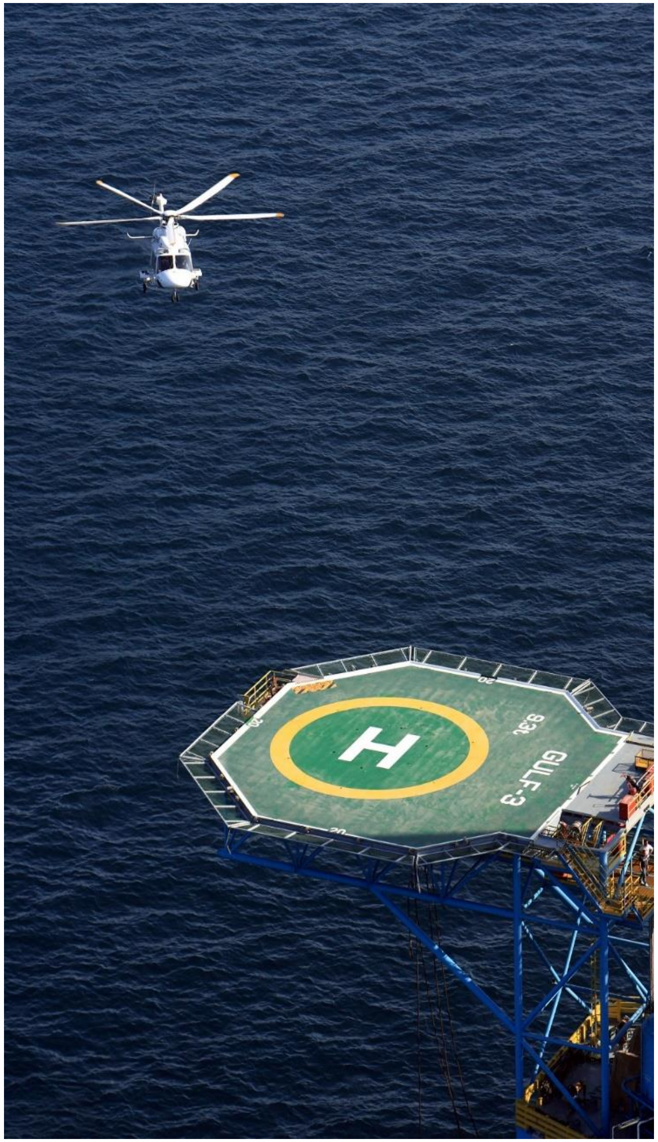
Segmental Details

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 55 aircrafts;

- GHC has 3 Direct subsidiaries:
  - Al Maha Aviation Company: 92% ownership.
  - Redstar Havacilik Hizmetleri A.S. In Turkey: 49% 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

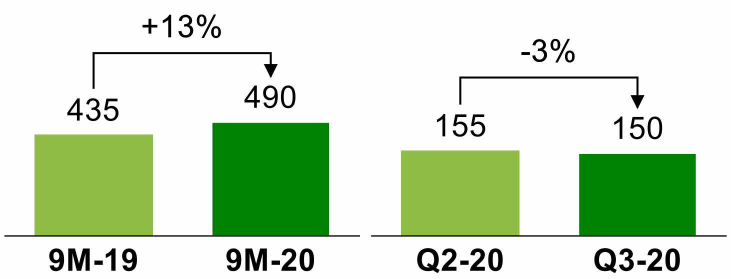
For the period ended 30 September 2020

Aviation Segment

- 9M-20 revenue, up by 13% on 9M-19 as the revenue across all the aviation business segments reported a positive variance. The domestic segment was successful in revising contract rates effective from the year 2018 booked in 2020, along with an addition of one new aircraft within the Qatar's Oil and Gas operations. This has resulted in an increase in the domestic revenue by 7% compared to same period last year. The international segment successfully won new short term contracts in Angola, Oman and South Africa. Moreover, the Turkish subsidiary, witnessed improved financial performance, amid growth in commercial flying hours. The international segment reported a growth of 21% in revenue, as compared to the same period last year. In addition, the aviation segment continued the expansion of its MRO business, with a new contract won during the year. Although, the overall flying hours were on the lower side compared to the last year, but the fixed charges remained unaffected and supported the overall growth in segment revenues.
- Decline in Q3-20 revenue as compared to Q2-20, was mainly due to the renewal of an international contract with lower number of aircrafts and slightly lesser MRO related revenues. This decline was off-set by improved revenues on account of better flying hours noted in Q3-20 compared to Q2-20.

Revenue

QR million

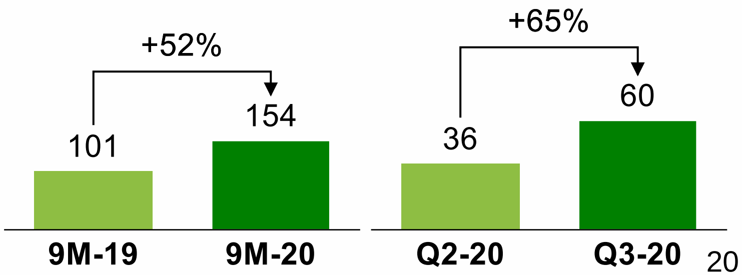


- Variation in aviation segment's profitability (excluding income taxes and one-off capital gain amounting to QR 268 million booked on the transfer of a land and building by Gulf Helicopters Company to GIS, as a part of distribution of dividends in kind, eliminated at the Group level) for 9M-20 was mainly aligned with the overall movements in the segment revenue compared to the 9M-19.
- Despite the decline in revenues, quarter-on-quarter profitability improved on account of OPEX savings with recent optimization initiatives.

Net Profit

(before income taxes & one off capital gain (QR 268 million) eliminated at the Group level)

QR million



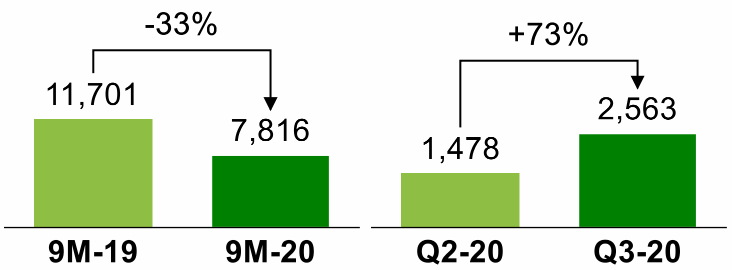
Segmental Details

For the period ended 30 September 2020

Aviation Segment

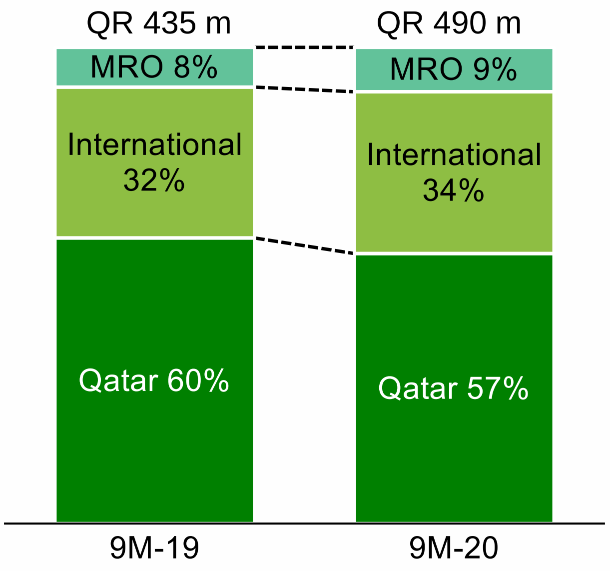
- Flying hours for the aviation segment declined significantly, year-on-year basis, domestically and internationally, mainly due to the outbreak of COVID-19 pandemic, especially in the months of April and May 2020. The fixed charges remained unaffected with the decline in flying hours and supported the overall growth in segment revenues.
- Q2-20 was the most affected quarter in the current financial year due to outbreak of COVID-19, whereas, most of the recovery in terms of flying hours came in Q3-20, with opening up of economic activity and oil and gas operations leading towards improved flying activity for Q3-20 versus Q2-20.

Actual Flying hours



- Qatar Operations continue to remain a key contributor to the overall segment revenue.
- Contribution of international operations improved during 9M-20 versus 9M-19.

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 & insurance against risk of death and accidents.

- In 2008, QP 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.

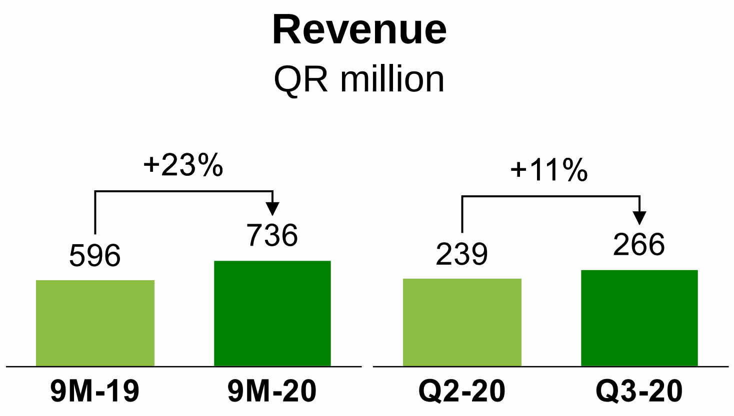
- The company has a large client base within both the medical and energy segments.

Segmental Details

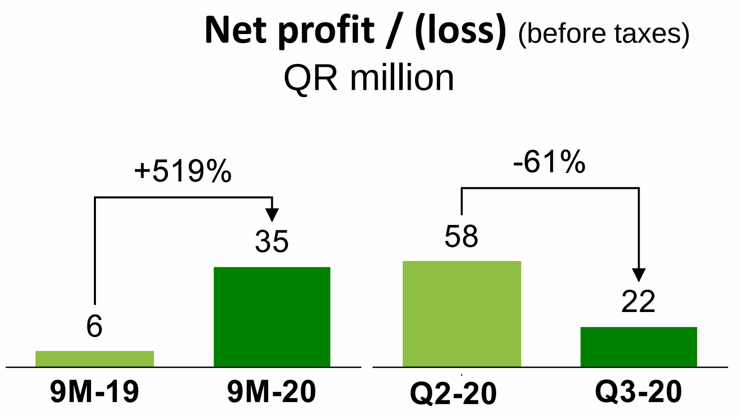
For the period ended 30 September 2020

Insurance Segment

- Revenue within the insurance segment for 9M-20, increased significantly by 23%, as compared 9M-19, to reach QR 736 million. Segment revenue grew strongly on the back of successful renewal of policies, along with improved pricing terms on all major accounts within the medical segment. Moreover, the segment was further able to add new clients within its medical line of business.
- Q3-20 vs Q2-20: Growth trends continued on the same lines as discussed above.



- 9M-20 vs 9M-19: Segment profitability was mainly impacted due to higher premiums and lower incurred claims, partially offset by the unrealized losses reported on the investment portfolio.
- Q3-20 vs Q2-20: The decline profitability is mainly attributed to the lower unrealized revaluation (mark-to-market) impact, in relation to the investment portfolio, on Q3-20 profitability as compared to Q2-20.



Segmental Details

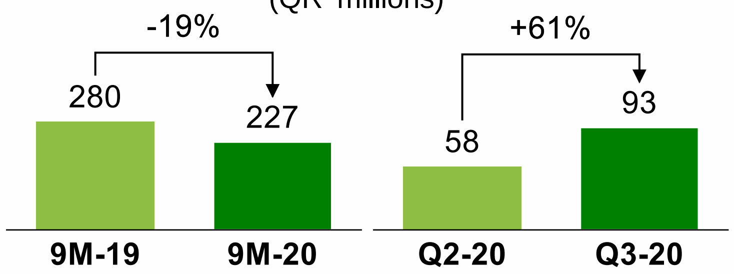
For the period ended 30 September 2020

Insurance Segment

- 9M-20 actual claims significantly down on 9M-19, was mainly driven by the impact of COVID-19 lockdowns that reduced the doctor's consultations and minor medical procedures, causing a reduction in medical insurance claims.
- Q3-20 vs Q2-20 claims increased due to additional claims incurred in medical business, due to opening up of activities, while claims within the captive business was also on a higher side.

Actual claims incurred

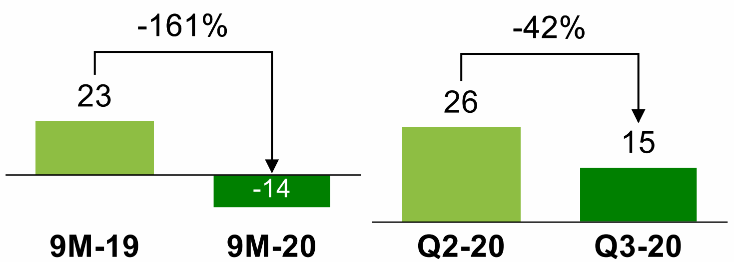
(QR 'millions)



- Unrealized income on revaluation of investment securities significantly down on year-on-year basis, as a result of the market volatilities amid COVID-19 outbreak leading to negative mark-to-market movements, mainly affected the Group in Q1-20, whereas, recoveries noted during Q2-20 and Q3-20.
- Unrealized income on revaluation of investment securities significantly down on quarter-on-quarter basis, as most of the recovery in financial markets was noted in Q2-20 compared to Q3-20.

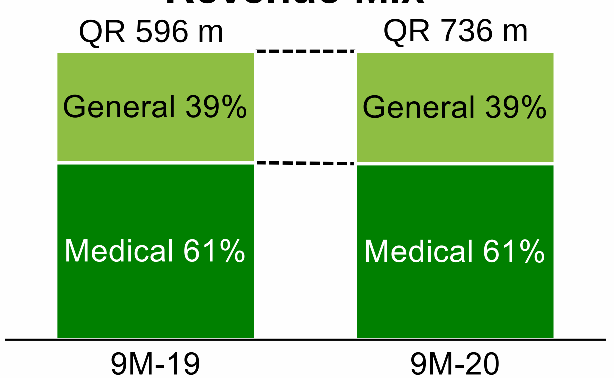
Analysis of unrealized income / (losses) on revaluation of investment securities

(QR 'millions)



- Medical insurance leads the overall contribution to the segment's revenue mix on the back of successful renewal of policies, along with improved pricing terms on all major accounts within the medical segment.

Revenue Mix



Segmental Details

- Amwaj Catering Services Company, incorporated in 2006 as a wholly-owned subsidiary of Qatar petroleum
- 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

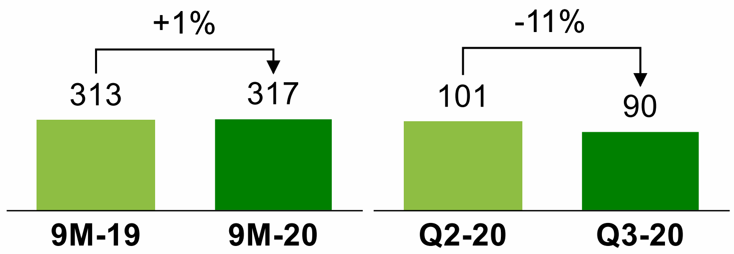
For the period ended 30 September 2020

Catering Segment

- 9M-20 vs 9M-19: Increase in revenue was mainly driven by higher revenue across the manpower and accommodation segments, on the back of new contracts and higher occupancy levels. Revenue partially offset by reduction within the catering segment, mainly impacted by the COVID-19 restrictions imposed, which led to lower number of meals being served across majority of the catering locations.
- Q3-20 vs Q2-20: Mainly due to lower occupancy level at Mesaieed camp. Also, manpower segment impacted as a result of reduction of number of manpower levels.

Revenue

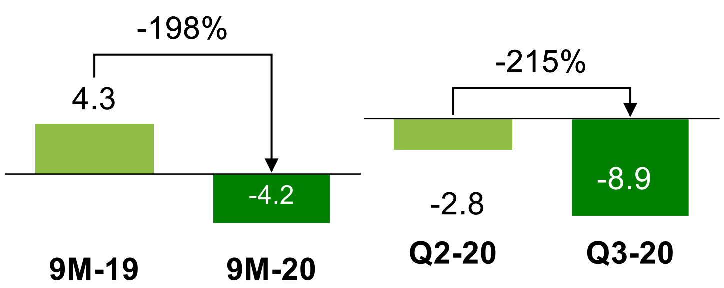
QR million



Net Profit / (loss)

(before income taxes)

QR million



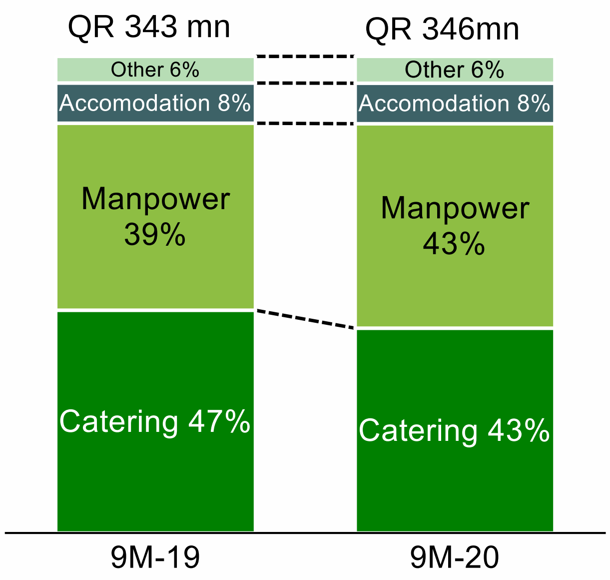
- 9M-20 vs 9M-19: Profitability declined mainly due to lowered margins.
- Q3-20 vs Q2-20: Profitability declined mainly due to overall reduction in the Q3-20 revenue as compared to Q2-20.

Segmental Details

For the period ended 30 September 2020

Catering Segment

Revenue mix



- Catering and manpower business continues to remain key contributors to the segment's revenues.

Optimization updates

Optimization updates

- Given the current difficult market and macroeconomic outlook, the Group has further strengthen on its optimization initiatives to withstand against external pressures and decisions were made to optimize cost;
- Major areas focused by the Group companies includes:
  - Manpower costs
  - Spares and equipment / external services
  - Corporate and Public relations expenditures
- The implementation of the optimization plan began in June 2020 and the effects of the same expected to be realized in the subsequent quarters.
- Although, the Group have taken the above listed initiatives, however, due to COVID-19 some of the costs were unavoidable.
- These measures would ensure that the Group companies remain competitive in their respective markets, while minimizing operational cost structures and optimizing asset utilization, with an intent to reposition the Group, while preserving cash for future growth prospects.

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 Qatar Petroleum, and four (4) Directors were elected with effect from 06/03/2018.
- QP 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.

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.

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

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 Qatar Petroleum 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.

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