Gulf International Services

Investor Relations Presentation

31 December 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.

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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.
- 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 ~22.1%.

- 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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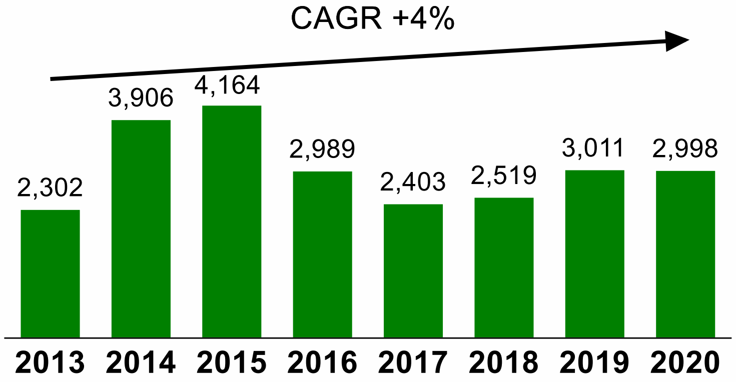
Gulf International Services QSC

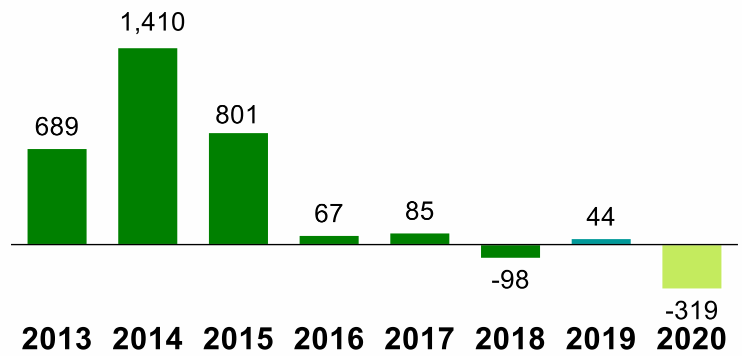
Results at a glance (2013-2020)

Results at a Glance (2013-2020)

Revenue (QR million)

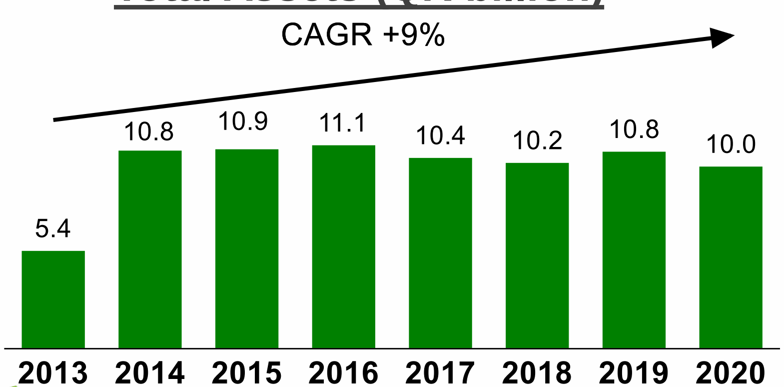


Net profit (QR million)

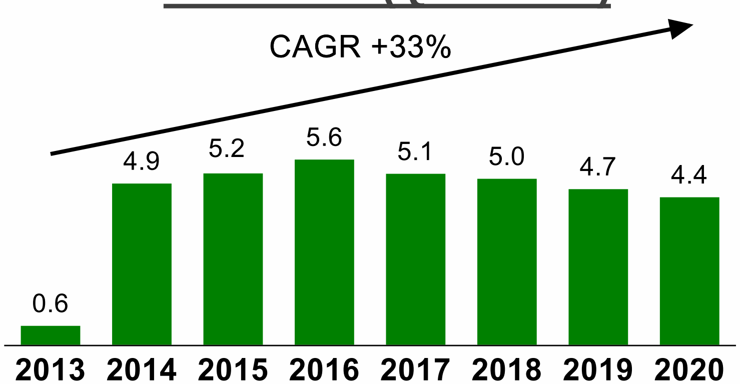


• Revenue peaked in 2015 with overall trajectory remained in line with cyclical movements in crude oil prices • Net profit dropped after the peak in 2014, due to overall movements in revenue and increase in financing costs • Total Assets significantly increased in 2014 due to acquisition of 30% stake 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)



Total Debt (QR billion)



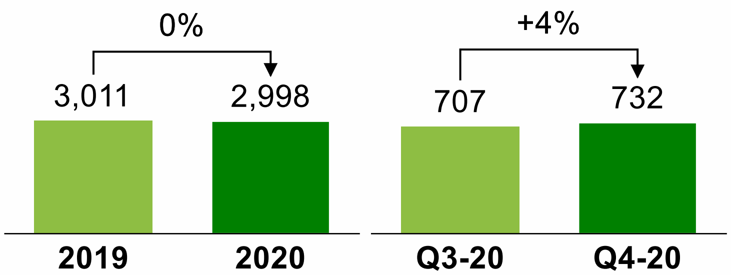
Note: CAGR means Compounded Annual Growth Rate

Results at a glance (For the year ended 31 December 2020)

Results at a Glance

For the year ended 31 December 2020

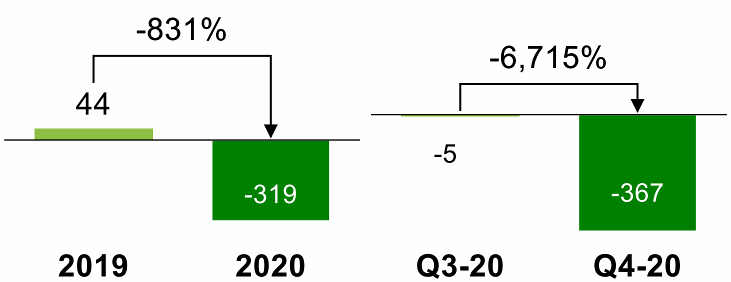
Revenue (QR million)



2020 vs 2019: Revenue growth remained flat. Revenue improvement from the insurance and aviation segments was entirely offset by revenue reduction in the drilling and catering segments.

Q4-20 vs Q3-20: Revenue improved in Q4-20 on back of growth in revenue from aviation segment, mainly due to better macroeconomic dynamics and improvement in the overall flying activity. The growth in revenue from aviation, was predominantly offset by the decline in revenue from drilling, catering and insurance segments, amid continued macroeconomic tightness.

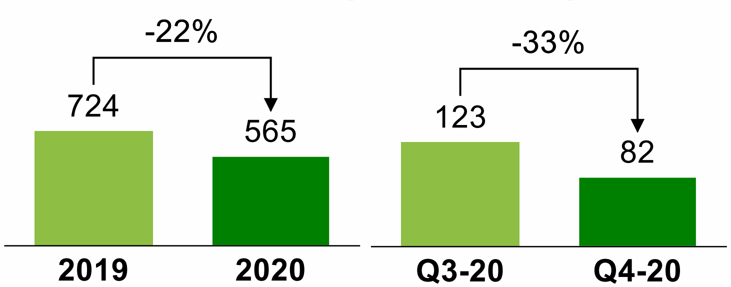
Net profit (QR million)



2020 vs 2019: Profitability declined significantly, mainly due to booking of one-off, non-cash impairment losses in relation to certain drilling and aviation assets. The profitability was also affected by overall decline in revenues from drilling and catering segments, offset by growth in topline from aviation and insurance segments.

Q4-20 vs Q3-20: Profitability significantly declined, as the impairment losses relating to drilling and aviation segments was booked in Q4-20, which significantly affected Group’s bottom line profitability for Q4-20.

EBITDA (QR million)



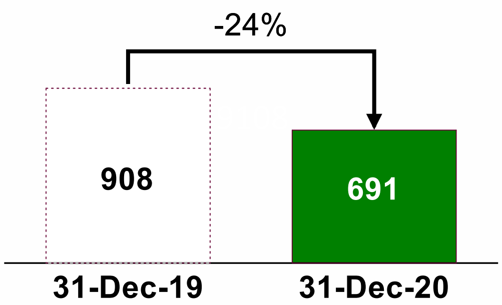
2020 vs 2019: EBITDA down compared to last year mainly due to an overall decline in operating profits, specifically from drilling segment, amid lower rig day-rates and rig utilization.

Q4-20 vs Q3-20: EBITDA declined due to continued downward trajectory in terms of operating profits, specifically from drilling and catering segments.

Results at a Glance

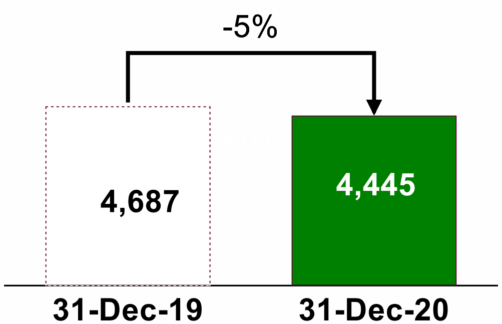
For the year ended 31 December 2020

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



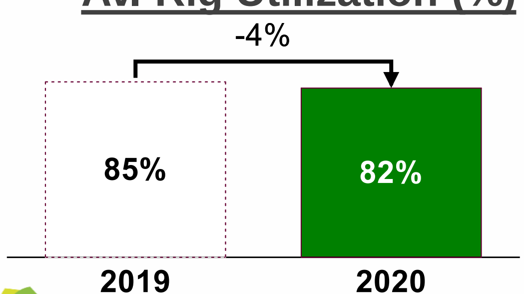
Cash balance slightly decreased compared to last year, mainly due to lesser drawdowns and repayment of loan.

Total Debt (QR million)



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

Av. Rig Utilization (%)[1]



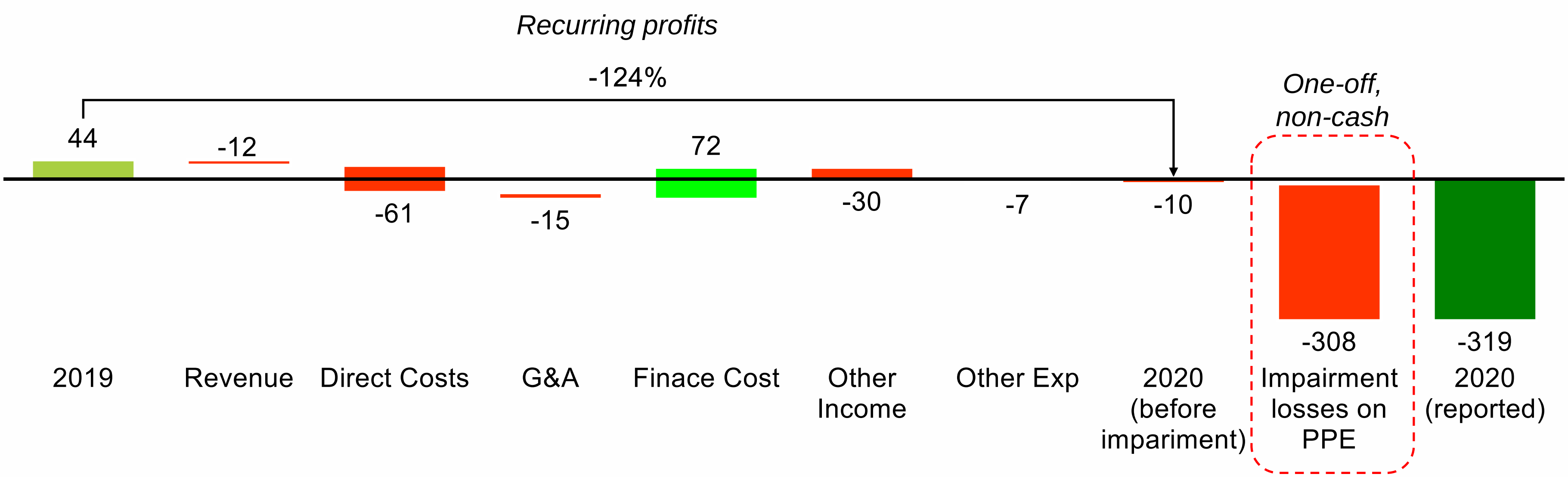
Decline in rig utilization, mainly due to GDI-3 and Msherib being off contract since last year, in addition to Al-Safliya from this year.

1: Rig utilization = Rig contract days / Calendar days

Net Profit

For the year ended 31 December 2020

Amounts reported in QR' millions



- **Revenue:** remained relatively flat compared to last year. Revenue growth within the insurance and aviation segments and offset by reduction from drilling segment, amid rig suspensions within onshore fleet and decline in rig day-rates, and catering segment.

- **Direct Costs:** at the Group level increased by 2%:
  - **Drilling**: reduction of 2% mainly against suspension of rigs;
  - **Aviation**: increased by 5% against increased revenue;
  - **Insurance:** increased by 8% mainly due to higher reinsurance costs offset by lower net claims;
  - **Catering:** reduced by 6% as a result of lower no. of meals. Although, hygiene and packaging cost increased due to COVID-19 precautionary measures.

- **G&A Expenses:** increased by 8%
  - **Aviation**: up by QR 15 mn, due to payment of management fees for Libya operation and higher admin costs from RSA;
  - **Drilling:** reduced by QR 12 mn due to cost optimization;
  - **Insurance**: up by QR 6 mn mainly related to legal fees;
  - **Catering**; reduced by QR 1 mn;
  - **HO**: increased by QR 7 mn on last year mainly due to payment of consultancy fees of QR 3.7 mn.

- **Finance Costs:** reduced by 31%, primarily as a result of lower interest rates;

- **Other Income:** reduction by QR 30 million, primarily impacted by the insurance segment as result of unrealized loss reported in relation to the investment portfolio for the year.

- **Impairment:** relates to GDI-3 rig, Msheireb rig and 19 old non-operating bell aircrafts.

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.

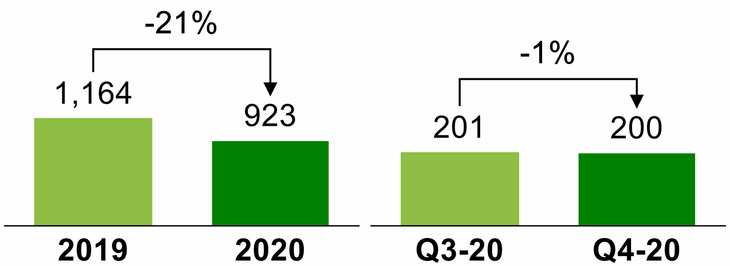
Segmental Details

For the year ended 31 December 2020

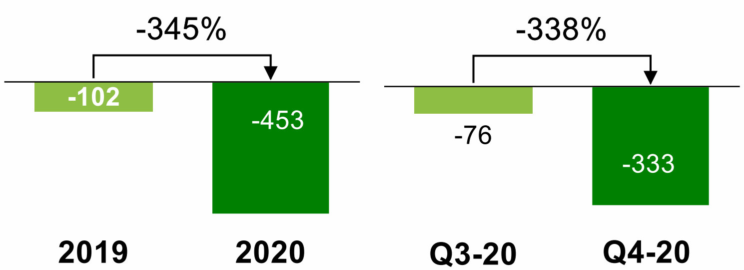
Drilling Segment

- 2020 revenue of QR 923 million, down by 21% on previous year, 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, were 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 40% and off-shore revenue by 11%.
- The negative year-on-year movement in revenue was partially offset by additional revenue streams, in form of rig management fees, from the GulfDrill JV, as two of the rigs have already commenced operations in 2020.
- Q4-20 revenue of QR 200 million, slightly down by 1% on Q3-20.

Revenue
QR million



Net Loss
QR million



- 2020 net loss of QR 453 million, increased by 345% compared to last year, mainly due to booking of one-off impairment losses and overall decline in revenue which was partially offset by improved cost savings to an extent on account of optimization initiatives. In addition, segment profitability was slightly supported by share of results from GulfDrill JV and lower finance costs due to declining interest rates.
- Q4-20 profitability showed a negative growth compared to Q3-20, mainly due to the booking of one-off, non-cash impairment losses amounting to QR 221 million.

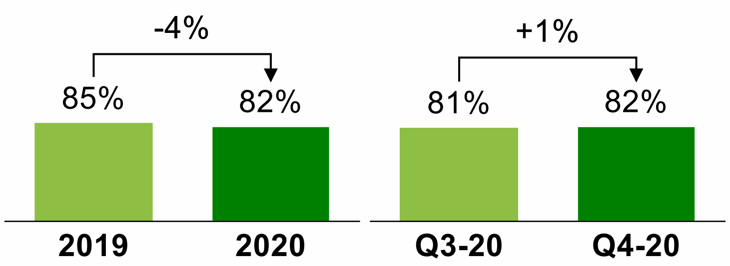
Segmental Details

For the year ended 31 December 2020

Drilling Segment

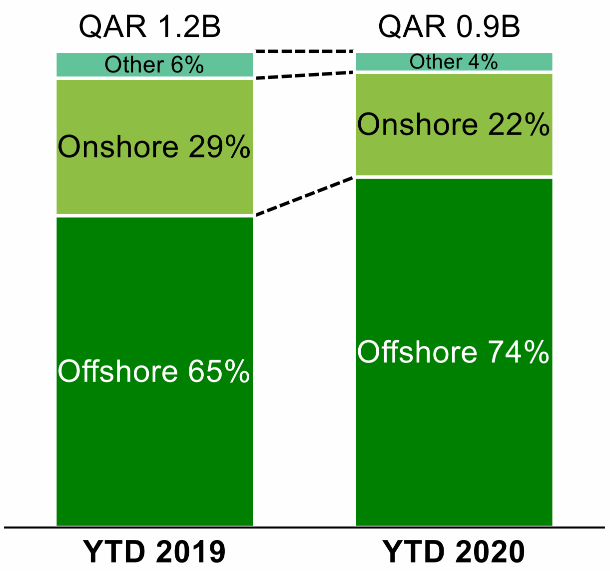
- Rig utilization remained depressed, mainly due to GDI-3 and Msherib being off contract since last year, in addition to Al-Safliya from this year.

Rig utilization (%)



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

Revenue Mix

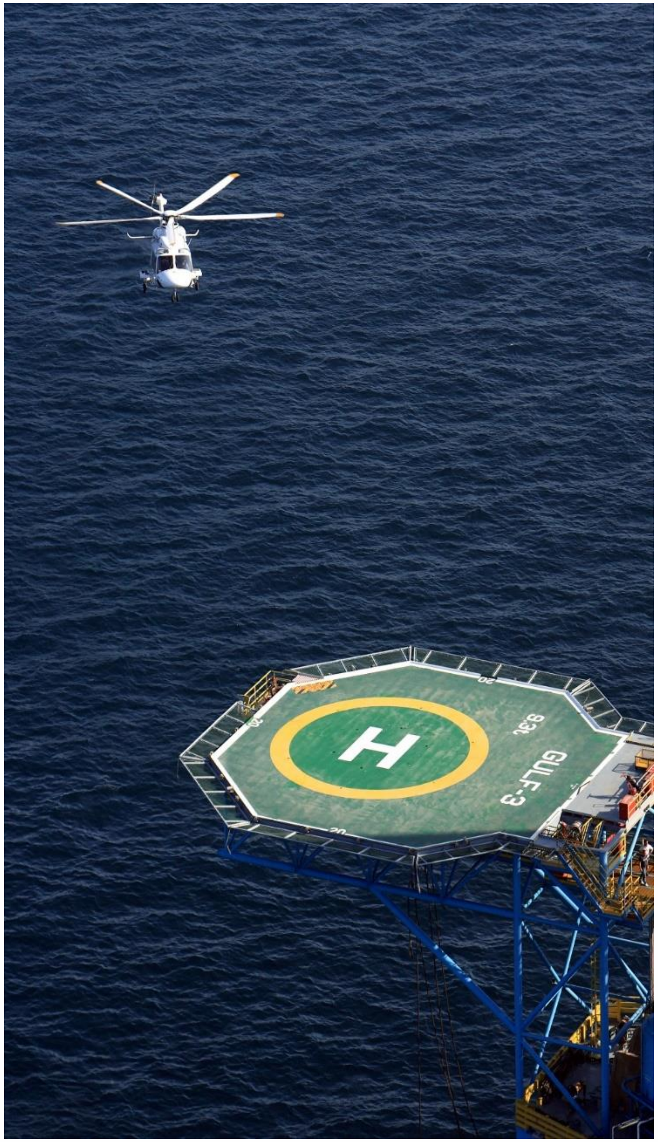


Segmental Details

- 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

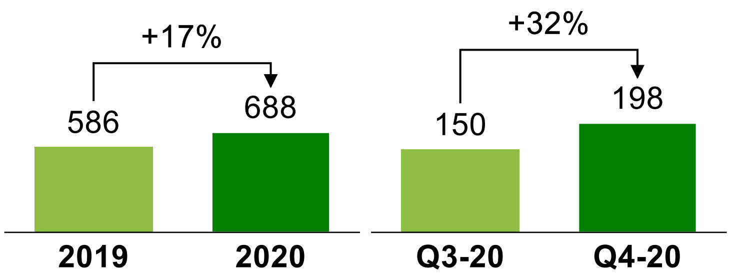
For the year ended 31 December 2020

Aviation Segment

- 2020 revenue, up by 17% compared to 2019 as the revenue across all the aviation business units 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 last year. International segment successfully won new short term contracts in Angola and South Africa. Moreover, the Turkish subsidiary, witnessed improved financial performance, amid growth in commercial flying hours. International segment reported a growth of 27% in revenue, as compared to 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.
- Q4-20 revenue up by 32% as compared to Q3-20, mainly due to increase in contract activity, as well as, the effect of consolidation of RSA.

Revenue

QR million

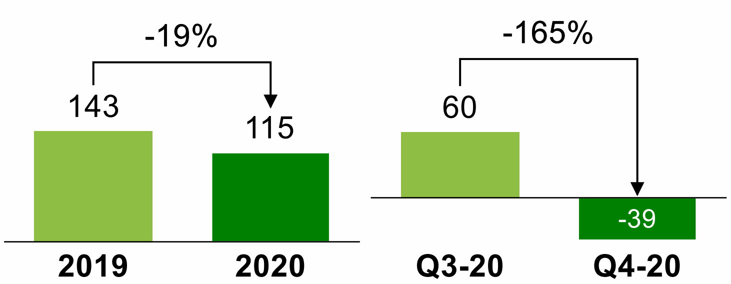


- Variation in aviation segment's profitability (excluding income taxes and one-off capital gain amounting to QR 268 million booked on the transfer of a land and building by Gulf Helicopters Company to GIS, as a part of distribution of dividends in kind, eliminated at the Group level) for 2020 was mainly affected due to booking of one-off impairment losses of QR 87 million. Segment profitability, excluding the impact of impairment, taxes and capital gain, would reach QR 202 million, up by 42% compared to last year, mainly on the back of overall year-on-year growth in revenue.
- Q4-20 profitability declined due to booking of one-off impairment losses amounting to QR 87 million in relation to 19 non-operational bell aircrafts.

Net Profit

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

QR million



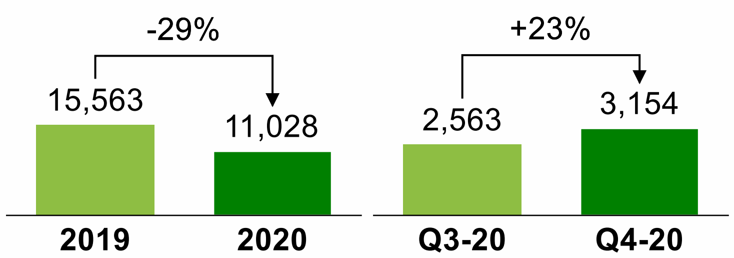
Segmental Details

For the year ended 31 December 2020

Aviation Segment

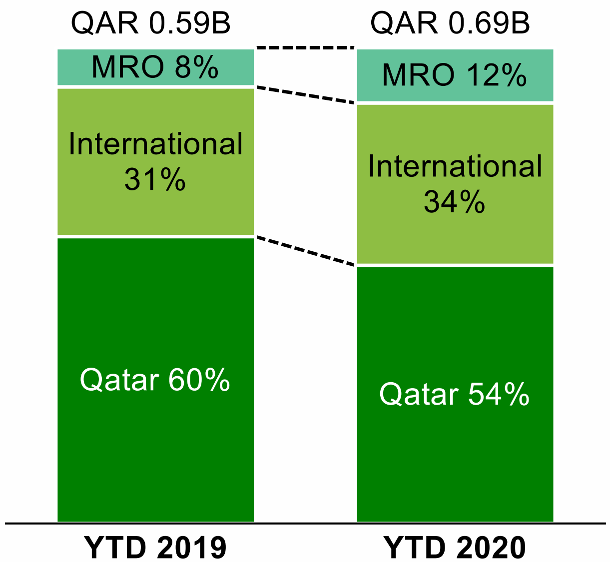
- Flying hours within the aviation segment declined significantly, year-on-year basis, domestically as well as internationally. Mainly due to the outbreak of COVID-19 pandemic, especially in the months of April and May 2020, which affected the overall economic activities amid strict lockdowns. Despite of declining flying hours, the fixed charges remained unaffected and supported the overall growth in segmental revenue.
- Most of the recovery in terms of flying hours came in Q4-20, due to opening up of economic activity and oil and gas operations and led towards improved flying hours for Q4-20.

Actual Flying hours



- Qatar Operations continue to remain a key contributor to the overall segment revenue.
- Contribution of international operations, as well as MRO business, improved during 2020 versus 2019.

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.

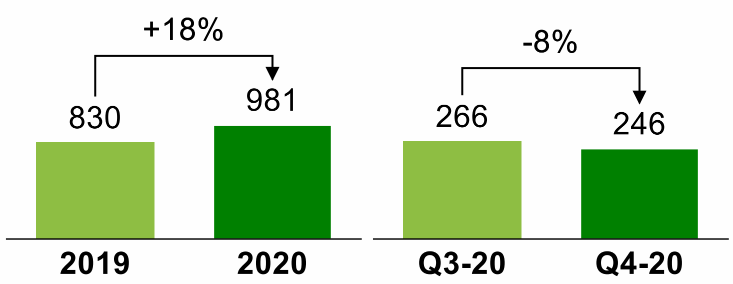
Segmental Details

For the year ended 31 December 2020

Insurance Segment

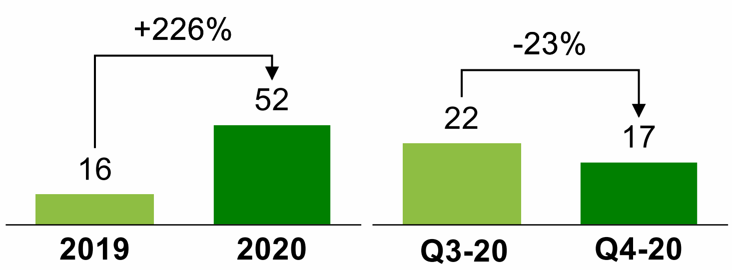
- Revenue within the insurance segment for 2020, increased significantly by 18%, as compared to 2019, and reached QR 981 million. Segment revenue grew strongly on the back of successful renewal of policies, along with improved pricing terms on all major accounts within the medical segment. Moreover, the segment was further able to add new clients within its medical line of business.
- Q4-20 vs Q3-20: Decline in revenue was mainly attributable to fewer policies underwritten in Q4-20, while major renewals signed-up mostly in the first nine months of 2020.

Revenue
QR million



- 2020 vs 2019: Segment profitability improved significantly to higher premiums and lower incurred claims, partially offset by the unrealized losses reported on the investment portfolio.
- Q4-20 vs Q3-20: The decline profitability was mainly attributed to the negative quarter-on-quarter growth in the segment's topline.

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



Segmental Details

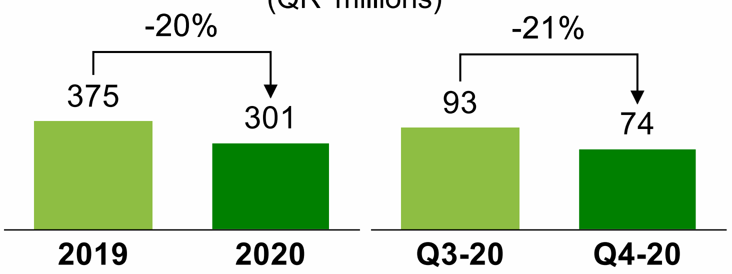
For the year ended 31 December 2020

Insurance Segment

- 2020 actual claims significantly down on 2019, mainly driven by the impact of COVID-19 lockdowns that reduced doctor's consultations and minor medical procedures, attributing to a reduction in medical insurance claims.
- Q4-20 vs Q3-20 actual claims continued its downward trajectory during Q4-20.

Actual claims incurred

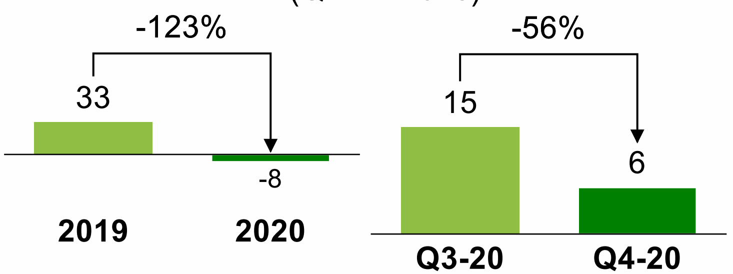
(QR 'millions)



- 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 were noted in rest of the year, but still was not enough to reach 2019 levels.
- 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 & Q3-20, while the market moved at a lesser pace in Q4-20.

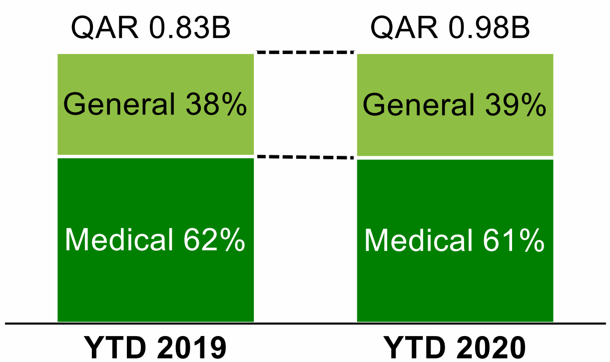
Analysis of unrealized income / (losses) on revaluation of investment securities

(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

Catering Segment

- 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

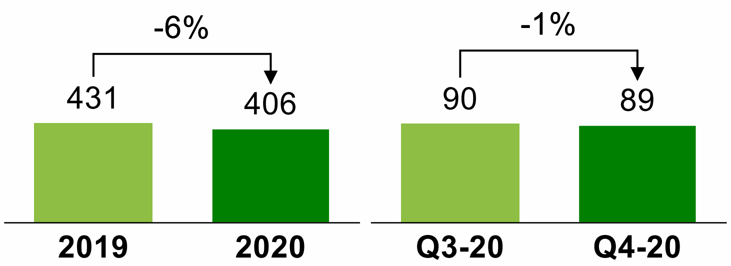
Segmental Details

For the year ended 31 December 2020

Catering Segment

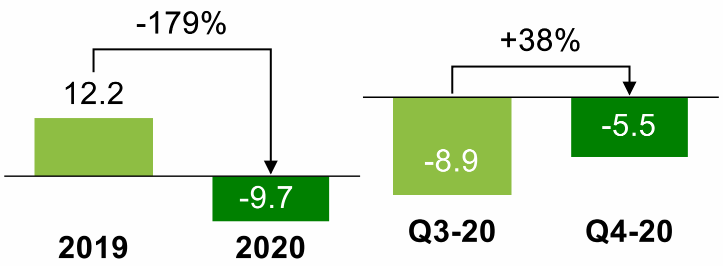
- 2020 vs 2019: Decline in revenue was mainly driven by lowered revenues within the catering sub-segment, mainly impacted by the COVID-19 restrictions imposed, which led to lower number of meals being served across majority of the catering locations. The decline in revenue was also impacted due to demobilization of a contract.
- Q4-20 vs Q3-20: Decline was mainly attributed demobilization of a contract.

Revenue
QR million



- 2020 vs 2019: Profitability declined materially due to lowered margins and declining revenues.
- Q4-20 vs Q3-20: Profitability improved mainly due to overall cost efficiencies partially off-set by a decline in topline.

Net Profit / (loss)
(before income taxes)
QR million



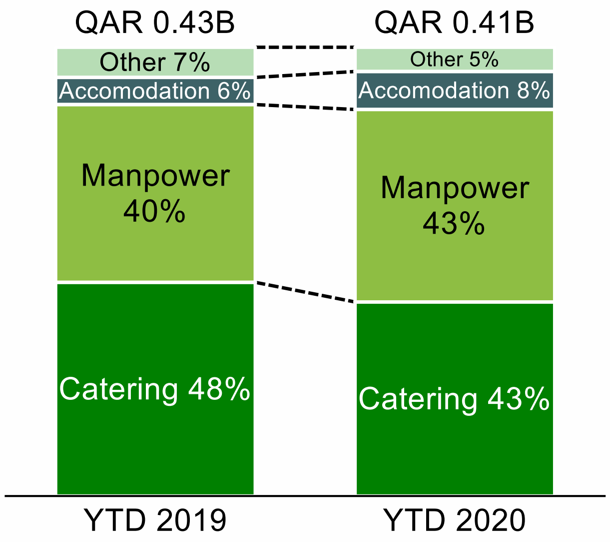
Segmental Details

For the year ended 31 December 2020

Catering Segment

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

Revenue mix



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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