

FOR IMMEDIATE RELEASE

Gulf International Services reports a revenue of QR 2.2 billion for the nine-month period ended 30 September 2021

- *Group's net profit amounted to QR 41 million for the nine-month period ended 30 September 2021*
- *Reporting second consecutive quarterly profit amounting to QR 42 million since the start of 2021*
- *Earnings per share amounted to QR 0.022 for the nine-month period ended 30 September 2021*
- *Aviation and insurance segments reported improved set of results*
- *During Q3-21, within drilling segment two suspended onshore rigs became operational, while rig day-rates for offshore fleet improved capturing favorable impacts from a strong oil price trajectory*

Doha, Qatar; 28 October 2021: Gulf International Services ("GIS" or "the Group"; QE ticker: GISS), today reported a net profit of QR 41 million for the nine-month period ended 30 September 2021, with an earnings per share of QR 0.022.

Macroeconomic updates

Oil and gas industry continue to witness positive signs of recovery with constructive macroeconomic drivers, on the back of effective vaccination campaigns linking to improved activity with strong oil prices, bringing opportunities for future exploration and related services industries.

Post-pandemic recovery for the Group remained uneven, with aviation and insurance segments reporting persistent improved set of results, while drilling segment remained under pressure until first half of the year, whereas the latest strategic realizations within the drilling segment resulted an improved set of results for the segment during Q3-21.

Business performance updates and outlook

Drilling segment

Rig day-rates for the offshore fleet improved during Q3-21, as the new day-rates took effect starting from July'21 and led to improved financial performance for the segment during Q3-21. Within onshore fleet two suspended rigs were deployed and commenced operations during Q3-21, after a year of suspension since COVID-19 outbreak. Moreover, all the five Gulfdrill JV rigs remained fully operational since Q2-21.

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, coupled with successful renewal of some international aviation contracts. Also, additional contributions from MRO business continued to support segment's financial performance.

Moreover, Turkish subsidiary and Moroccan venture added one new aircraft each during the year, in order to meet increased demand from the market. This was in addition to a new helicopter (AW139) being added during the year to the domestic fleet, as a back-up to existing operations.

Insurance segment

Insurance segment managed to build up its strong performance, achieved throughout the period by further expanding both the medical and general lines of businesses, where successful renewal of major contracts and additional coverage for major contracts within the energy line of business were main highlights. Additionally, the segment continued to expand its footprints within domestic SME market, specifically within the medical line of business and added new clients during the period.

Catering

Catering segment continue to remain under pressure with restrictions mandated since the start of pandemic in relation to food delivery, transportation and manpower accommodation. This has affected segment's performance in terms of lowered revenues, coupled with additional layer of costs incurred in order to comply with the requirements leading to negative margins for the segment since pandemic. However, despite stiff market challenges faced during the period, the segment was able to win new contracts within manpower line of business.

Financial Performance – 9M-21 vs 9M-20

Key financial performance indicators	9M-21	9M-20	Variance (%)
Revenue (QR' million)	2,247	2,266	-1%
Net profit / (loss) (QR' million)	41	49	-15%
EBITDA (QR' million)	417	484	-14%
Earnings per share (QR)	0.022	0.026	-15%

Group's revenue for the nine-month period ended 30 September 2021 amounted to QR 2.2 billion, with a marginal reduction of 1% compared to the same period last year. Revenue growth from insurance and aviation segments, was entirely offset by a negative growth in revenue from both drilling and catering segments.

Group reported an EBITDA of QR 417 million, and recorded a net profit of QR 41 million for the nine-month period ended 30 September 2021. The decline in Group revenues led to a decline in net earnings. Moreover, direct costs increased by 3% negatively affecting Group's profitability and was mainly due to increase in activity within drilling and aviation segments coupled with increased claims within insurance segment, partially offset by direct cost reduction noted in catering segment.

Group's finance cost declined by 27%, to reach QR 96 million, compared to QR 131 million for the same period last year, against a backdrop of lower interest rates. Similarly, general and administrative expenses declined by 1% on account of continued optimization programs.

Moreover, the performance of Group's investment portfolio was positively impacted due to recovery in capital markets, and a recovery amounting to QR 38 million was noted on account of unrealized gains on revaluation of investment securities, when compared to the same period of last year.

Financial Performance – Q3-21 vs Q2-21

Key financial performance indicators	Q3-21	Q2-21	Variance (%)
Revenue (QR' million)	815	727	+12%
Net profit / (loss) (QR' million)	42	5	+783%
EBITDA (QR' million)	172	133	+30%
Earnings per share (QR)	0.023	0.003	+783%

Revenue for Q3-21 represented an increase of 12% compared to Q2-21, mainly on account of growth in revenue from aviation, insurance and drilling segments, partially offset by a decline in revenue from catering.

Net profit for Q3-21 amounted to 42 million with an increase of 783% compared to Q2-21. This was mainly linked to recovery in losses within drilling segment, coupled with continued momentum from aviation segment.

Financial position

Key performance indicators	As at 30-Sept-21	As at 31-Dec-20	Variance (%)
Cash and short term investments (QR' million)	763	691	+10%
Total Assets (QR' billion)	10.2	10.0	+2%
Total Debt (QR' billion)	4.4	4.4	-2%

Group's total assets increased by 2% during the year, to reach QR 10.2 billion as at 30 September 2021, compared to last year. Cash and short term investments stood at QR 763 million, up by 10% as compared to 31 December 2020. Total debt at Group level amounted to QR 4.4 billion as at 30 September 2021. Current levels of debt continue to impact the Group's net earnings.

Operational and financial performance highlights by segments

Drilling:

Key performance indicators	9M-21	9M -20	Variance (%) [9M-21 vs 9M-20]	Q3-21	Q2-21	Variance (%) [Q3-21 vs Q2-21]
Revenue (QR' million)	716	723	-1%	276	242	+14%
Net loss (QR' million)	-159	-120	-32%	-26	-60	+56%

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

Drilling segment reported a revenue of QR 716 million for the nine-month period ended 30 September 2021, down by 1% compared to last year. Revenue was mainly impacted by rigs' suspension within onshore fleet carried forward since last year until 1H-21, where two of the suspended rigs had commenced operations during Q3-21. In addition, rig day-rates remained depressed during first half of the year and impacted revenue growth on a year-on-year basis. However, the rig-day rates applicable to the offshore fleet improved during Q3-21, as the newly day-rates applicable to offshore fleet took effect from July'21. Moreover, deployment of three additional rigs as part of Gulfdrill JV's fleet during Q2-21, has also added value to segment's revenue recovery.

Segment reported a net loss of QR 159 million for the nine-month period ended 30 September 2021, compared to a net loss of QR 120 million for the same period of last year. The increase in losses was primarily attributed to negative growth in revenue. However, this was partially offset by a decline of QR 31 million in segment's finance cost compared to 9M-20, on account of lower interest rates. On a quarter-on-quarter basis losses for the segment declined with improved revenues.

Aviation:

Key performance indicators	9M-21	9M-20	Variance (%) [9M-21 vs 9M-20]	Q3-21	Q2-21	Variance (%) [Q3-21 vs Q2-21]
Revenue (QR' million)	528	490	+8%	190	173	+10%
Net profit (QR' million)	175	154	+13%	63	62	+2%

Note: Segment profit have been reported before impact of income taxes and one-off non-cash capital gain of QR 268 million recognized during Q2-20

Aviation segment reported a total revenue of QR 528 million for the nine-month period ended 30 September 2021, with an increase of 8% compared to the same period of last year. The increase was mainly attributed to higher flying hours recorded within both domestic and international operations, coupled with growth in revenue noted across all the businesses within the segment. Segment's net profit reached QR 175 million, representing an increase of 13% compared to 9M-20, mainly on account of revenue growth.

Segment revenue for Q3-21 versus Q2-21 increased by 10%, mainly due to improved flying activity coupled with better results from Turkish subsidiary. Q3-21 profitability improved by 2% in comparison to previous quarter's net earnings, in line with positive revenue growth.

Insurance:

Key performance indicators	9M-21	9M-20	Variance (%) [9M-21 vs 9M-20]	Q3-21	Q2-21	Variance (%) [Q3-21 vs Q2-21]
Revenue (QR' million)	745	736	+1%	264	225	+17%
Net profit (QR' million)	50	35	+44%	18	17	+3%

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

Revenue within the insurance segment for the nine-month period ended 30 September 2021, increased by 1% as compared to the same period last year, to reach QR 745 million. Growth in premiums from general insurance line of business, were entirely offset against decline in premiums from medical line of business.

Segmental net earnings increased by 44% as compared to the same period last year, to reach QR 50 million. Strong growth in net profits was mainly supported by strong recovery within segment's investment portfolio on the back of recovery in capital markets. Unrealized gain on revaluation of investment portfolio contributed QR 38 million positively towards segment's net earnings for the nine-month period ended 30 September 2021 in comparison to same period of last year.

In terms of claims, there had been an increase noted during the first nine months of 2021, especially within the medical line of business driven by ease of restrictions enabling more visits to hospitals and doctors' consultations.

Segment revenue for Q3-21 versus Q2-21 increased by 17%, mainly due to policy renewal within general insurance line of business. On the other hand, Q3-21 profitability marginally improved by 3% in comparison to Q2-21, mainly on the back improved segmental revenue which was offset by higher claims and reinsurance cost.

Catering:

Key performance indicators	9M-21	9M-20	Variance (%) [9M-21 vs 9M-20]	Q3-21	Q2-21	Variance (%) [Q3-21 vs Q2-21]
Revenue (QR' million)	258	317	-19%	86	86	-1%
Net loss (QR' million)	-19	-4	-343%	-9	-9	-3%

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

Catering segment reported a revenue of QR 258 million, with a decline of 19% as compared to the same period of last year. This was mainly due to ongoing COVID-19 related restrictions which resulted in lower number of meals being served across majority of catering locations. This was in addition to loss of some contracts within both manpower and catering contracts, which adversely affected the overall growth.

The segment reported a net loss of QR 19 million for nine-month period ended 30 September 2021, compared to a net loss of QR 4 million for 9M-20, mainly due to lowered margins and declining revenues.

On a quarter-on-quarter basis, catering segment continue to report a declining trend, where revenue for Q3-21 marginally decreased by 1% due to loss of a catering contract during the current quarter, while profitability remained negative on account of depressed margins.

Earnings Call

GIS will host an IR earnings call with investors to discuss its financial results, business outlook and other matters on Wednesday, 3rd November 2021 at 1:30 p.m. Doha time. The IR presentation that accompanies the conference call will be posted on the 'financial information' page within the Investor Relations section at GIS' website.

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About GIS

Gulf International Services, a Qatari public shareholding company listed on the Qatar Stock Exchange, was established on February 12, 2008 in accordance with the provisions of its Articles of Association and Law no. 5 of 2002, promulgating the Commercial Companies Law, especially Article 68 thereof. Subsequently, the Company settled its status and brought its Articles of Association into conformity with the provisions of Law no. 11 of 2015, promulgating the Commercial Companies Law, and in line with the specific nature of its incorporation.

Through the group companies, Gulf International Services Q.P.S.C. operates in four distinct segments - insurance and reinsurance, drilling, helicopter transportation and catering services. QatarEnergy (formerly known as Qatar Petroleum), the largest shareholder, provides all of the head office functions for Gulf International Services Q.P.S.C. through a comprehensive service directive. The operations of the subsidiaries remain independently managed by their respective Boards of Directors and senior management teams.

For more information about the earnings announcement, email gis@qp.com.qa or visit www.gis.com.qa.

DISCLAIMER

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

This press release may contain forward-looking statements concerning the financial condition, results of operations and businesses of Gulf International Services Q.P.S.C. All statements other than statements of historical fact are deemed to be forward-looking statements, being statements of future expectations that are based on current expectations and assumptions, and involve known and unknown risks and uncertainties that could cause actual

results, operations and business performance or events impacting the group to differ materially from those expressed or as may be inferred from these statements.

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

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GENERAL NOTES

Gulf International Services' accounting year follows the calendar year. No adjustment has been made for leap years. Where applicable, all values refer to Gulf International Services' share. Values expressed in QR billions/ millions. All other values have been rounded to the nearest whole number. Values expressed in US \$'s have been translated at the rate of US \$1 = QR3.64.

DEFINITIONS

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