FOR IMMEDIATE RELEASE

Gulf International Services records a strong growth in net profits to reach QR 392 million for the year ended 31 December 2023

Board of Directors Recommends Dividend Payout Equivalent to 71% of 2023 Net Income

- *The Board of Directors recommends a dividend payout ratio equivalent to 71% of net income, equating to QR 0.15 per share for the financial year ending 31 December 2023.*
- *Group's revenue reached QR 3.5 billion for the year ended 31 December 2023, improved by 17% versus last year.*
- *EBITDA of QR 898 million for the year ended 31 December 2023, higher by 8% compared to the previous year.*
- *Earnings per share amounted to QR 0.211 for the year ended 31 December 2023*
- *All operating segments reported improved set of results on a year-on-year basis.*

Doha, Qatar; 14 February 2024: Gulf International Services ("GIS" or "the Group"; QE ticker: GISS), today reported a net profit of QR 392 million for the year ended 31 December 2023, with an earnings per share of QR 0.211.

Commenting on the Group's strong financial and operational performance for the year ended 31 December 2023, **Sheikh Khalid bin Khalifa Al-Thani, GIS Chairman of the Board of Directors,** said:

"2023 has been an exceptional year for the Group, characterized by enhanced asset utilization, improved market penetration, and strategic realizations that have culminated in sustainable value creation. All our group companies have made substantial progress, delivering a robust set of results.

Throughout this year, we successfully executed several pivotal strategic initiatives, notably the merger of Amwaj with Shaqab and Atyab. This strategic move is poised to enhance our Group's operational efficiency and boost our competitiveness. Additionally, we achieved a significant milestone by successfully concluding the debt restructuring with our lenders. This achievement is a major step forward in our ongoing efforts to strengthen the company's financial standing, offering greater flexibility, improved liquidity, and opening doors for strategic investments.

Moving forward, it is essential to remain vigilant to market trends, adapt to changes, and identify new avenues for growth. The successes of 2023 serve as a solid foundation upon which we can build for continued prosperity in the future."

Business Review and Updates:

Drilling segment:

A notable accomplishment in the drilling segment during 2023 was the successful conclusion of the debt restructuring agreement with lenders. As announced previously, this arrangement extended the long-term duration to 25 years and incorporated a 35% balloon feature. This strategic restructuring enables GDI to methodically decrease its financial leverage over the extended debt period. Crucially, the updated deal secures strong safeguard for the company in the face of the current elevated interest rate environment.

The drilling segment further reduced the losses experienced in the previous period by enhancing asset utilization and improving the performance of the joint venture with Seadrill.

GDI 4, which was off contract since 2020, was awarded a two-year contract and became operational during the third quarter of this year. Moreover, within the offshore segment, a major accomplishment was the award for a two-year contract for Les-hat with potential extension. Furthermore, within the lift boat segment, Rumaila secured a multi-year contract expected to commence operation in the upcoming quarter of 2024, further solidifying GDI's presence in this segment. These new contracts will further enhance the company's asset utilization and overall financial performance. Moving forward, the company will diligently work to maintain an optimal utilization level, prioritizing safety and performance standards without any compromise.

As for the Joint venture with Sea drill, four rigs have been successfully extended for a duration of 2 years, accompanied by favorable enhancements in the day rates. The new day rates will come into effect upon the conclusion of the current contract tenor of each rig. These renewals will not only contribute to GDI's enhanced financial performance but will also strengthen its key client partnerships.

Aviation segment:
The Aviation segment has continued to demonstrate improved business performance, driven by an increase in flying hours in both domestic and international operations. Additionally, the contributions from the Maintenance, Repair, and Overhaul (MRO) segment have consistently supported the overall performance of the Aviation segment.

Throughout the year, the company successfully secured new contracts with medium-to-short term durations, covering diverse regions. This highlights the company's capability to establish and sustain strong business relationships across multiple markets. This strategic expansion is poised to not only enhance the global reach of the aviation segment but also establish Gulf Helicopters as a trusted partner in delivering services across various countries.

Insurance segment:
The Insurance segment has consistently achieved its core objective of expanding its medical line of business and strengthening its market presence through the successful acquisition of new medical contracts. This achievement has translated into notable growth in premiums, reflecting the segment's robust performance.

Group Financial Performance – *YE-23 vs YE-22*

Key financial performance indicators	YE-23	YE-22	Variance (%)
Revenue (QR' million)	3,538	3,034	+17%
Net profit (QR' million)	392	302	+30%
EBITDA (QR' million)	898	831	+8%
Earnings per share (QR)	0.211	0.163	+30%

Note 1: Comparative figures for YE-22 have been restated on account of adoption of IFRS 17 and other restatements.

Group's revenue for the year ended 31 December 2023 amounted to QR 3.5 billion, with an increase of 17% compared to last year. Revenue growth from aviation, drilling and insurance segments led to an overall increase in the Group revenue.

The Group reported an EBITDA of QR 898 million and recorded a net profit of QR 392 million for the year ended 31 December 2023. Growth in the Group's revenues coupled with increase in finance income contributed positively to the Group's profitability. However, the group results were partially impacted by net monetary losses arising from the accounting impact of hyperinflation from GHC's Turkish subsidiary. On the other hand, the Group's direct costs increased by 19%, mainly linked to increased commercial activity.

Group's finance cost increased by 14% to reach QR 205 million, as a result of persistently higher interest rates prior to the conclusion of the debt restructure with GDI lenders. However, the saving in finance costs is expected to be further realized in the upcoming quarters.

Moreover, performance of the insurance segment's investment portfolio witnessed a recovery compared to the previous year, and an increase of QR 55 million was noted on account of investment income[1] versus last year. This increase was mainly linked to unrealized gains booked on revaluation of held for trading investment securities and higher finance income supported by higher interest rates.

Financial Performance – *Q4-23 vs Q3-23*

Key financial performance indicators	Q4-23	Q3-23	Variance (%)
Revenue (QR' million)	907	920	-1%
Net profit/ (Loss) (QR' million)	(23)	134	-117%
EBITDA (QR' million)	96	222	-57%
Earnings per share (QR)	(0.013)	0.072	-117%

Revenue for Q4-23 decreased marginally by 1% compared to Q3-23, mainly on account of lower revenue reported from the aviation segment due to lower revenue from the international and MRO segment. This was partially offset by higher revenue growth from the drilling segment due to higher asset utilization and higher revenue from the insurance segment supported by new contracts added during the quarter.

Net loss reported during Q4-23 of QR 23 million, a reduction by 117% compared to Q3-23. This reduction in the Group's net profit was mainly attributed to lower profitability from the aviation segment due to reduction in revenue, increase in G&A expenses and net monetary losses arising from the accounting impact of hyperinflation from GHC's Turkish subsidiary amounting to QR 40 million in Q4 2023. Whilst the drilling segment's reported higher losses compared to the previous quarter mainly due to higher G&A expenses purely related to accounting treatments in addition to higher finance costs due to one-off upfront fees related to the debt restructure and lower share of profit from JV. Moreover, loss of QR 27 million was reported as a result of disposal of Amwaj subsidiary.

Financial position

Key performance indicators	As at 31-Dec-23	As at 31-Dec-22	Variance (%)
Cash and short-term investments (QR' billion)	1.3	1.14	+13%
Total Assets (QR' billion)	10.4	10.0	+3%
Total Debt (QR' billion)	4.41	4.37	+1%

Note 1: Comparative figures for YE-22 have been restated on account of adoption of IFRS 17 and other restatements.

The Group total assets increased by 3% during the current year compared to 31 December 2022 and stood at QR 10.4 billion as of 31 December 2023. Cash and short-term investments stood at QR 1.3 billion, up by 13% compared to 31 December 2022. Growth in cash and cash equivalents is mainly attributed to an overall increase in the Group's profitability, coupled with improved cash flow generation.

Total debt at the Group level amounted to QR 4.41 billion as of 31 December 2023. The recent debt restructuring undertaken by GDI represents a noteworthy accomplishment, poised to play a pivotal role in the company's strategic realignment and support its long-term growth outlook. Through the reduction of debt levels and lowering of borrowing costs, GIS is set to enhance its financial flexibility and overall profitability. This strategic move will empower the company to channel more resources into its core business, explore and capitalize on new growth avenues, and fortify its competitive standing within the market. Overall, the debt restructuring initiative is expected to provide GIS with a solid foundation for sustainable growth and success in the foreseeable future.

Operational and financial performance highlights by segments

Drilling:

Key performance indicators	**YE-23**	**YE-22**	**Variance (%)** **[YE-23 vs YE-23]**	**Q4-23**	**Q3-23**	**Variance (%)** **[Q4-23 vs Q3-23]**
Revenue (QR' million)	1,329	1,285	+3%	352	312	+13%
Net loss (QR' million)	(38)	(90)	-58%	(14)	(2)	-781%

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

The drilling segment reported a revenue of QR 1.3 billion for the year ended 31 December 2023, up by 3% compared to last year. The revenue growth was mainly driven by higher asset utilization from the onshore segment due to deployment of GDI 8 which was off contract during the previous year and the commencement operation of GDI 4 during late Q3 of this year which also contributed positively to the revenue growth. Within the off-shore segment, the revenue increase was supported by the improved utilization from Al-Wajba. This was partially offset by lower revenue from the lift boat and barges segment due to Rumaila going off-contract during the first half of the year. however, the lift boat Rumaila has been contracted with a new client and expected to commence operation during the first quarter of 2024.

The segment reported a net loss of QR 38 million for the year ended 31 December 2023, compared to a net loss of QR 90 million for last year. Significant reduction in net loss was primarily driven by growth in segmental revenue and improved financial performance from the Joint venture with Seadrill. However, increased finance costs resulting from higher interest rates prior to the loans restructures in addition to one-off upfront fees related to the debt restructure partially offset these gains.

On a quarter-on-quarter basis, the company reported a net loss of QR 14 million compared to a net loss of QR 2 million in the previous quarter. Higher loss reported was mainly due to higher G&A expenses purely related to year end provisions and increased staff cost in addition to higher finance costs as a result of one-off upfront fees related to the debt restructure. Moreover, the share of profit from the JV with Seadrill experienced a reduction due to the amortization of maintenance costs over the remaining term of the extended agreements. Overall result was partially offset by improved revenue compared to the previous quarter due to 2 offshore rigs coming to operations after undertaking a planned maintenance during Q3 of 2023, moreover, GDI 4 full revenue realization during the current quarter as it has commenced operation during later part of third quarter of 2023.

Aviation:

Key performance indicators	**YE-23**	**YE-22**	**Variance (%)** **[YE-23 vs YE-22]**	**Q4-23**	**Q3-23**	**Variance (%)** **[Q4-23 vs Q3-23]**
Revenue (QR' million)	1,035	915	+13%	236	300	-21%
Net profit (QR' million)	343	342	+1%	4	111	-96%

Note 1: Segment earnings have been reported before impact of income taxes.
Note 2: Comparative figures for YE-22 have been restated on account of IAS 29. Net profit has been increased by QR 32 million.

The aviation segment recorded a total revenue of QR 1 billion for the year ended 31 December 2023, marking a notable increase of 13% compared to the corresponding period in the previous year. This growth in revenue can be primarily attributed to increased flying operations, both domestically and internationally. Furthermore, growth was observed in the Maintenance, Repair, and Overhaul (MRO) business segment, which contributed positively to the overall increase. Significant revenue expansion also occurred in international locations, with Turkey and Angola being particularly highlighted for their substantial contribution to the positive financial performance.

During this period, the aviation segment achieved a net profit of QR 343 million, marking a marginal increase of 1% compared to the corresponding period in the previous year. This increase in profit can be largely attributed to the revenue expansion, coupled with higher finance income and lower losses reported on revaluation of foreign currency exchange. Bottom line profitability was mainly impacted by net monetary losses arising from the accounting impact of hyperinflation from GHC's Turkish subsidiary as compared to positive impact in the previous year.

The segment revenue for Q4-23 versus Q3-23 decreased by 21%, mainly driven by lower revenue from the international segment and in particular Turkey and Libya, moreover the MRO segment also experienced a reduction in revenue as compared to the previous quarter. Q4-23 profitability decreased by 96% compared to the previous quarter mainly impacted by revenue reduction, higher G&A expenses and net monetary losses amounting to QR 40 million recorded in the current quarter arising from the accounting impact of hyperinflation in turkey.

Insurance:

Key performance indicators	YE-23	YE-22	Variance (%) [YE-23 vs YE-22]	Q4-23	Q3-23	Variance (%) [Q4-23 vs Q3-23]
Revenue (QR' million)	1,177	888	+33 %	321	308	+4%
Net profit (QR' million)	103	68	+52%	19	22	-14%

Note 1: Segment profits have been reported before impact of income taxes.
Note 2: Comparative figures for YE-22 have been restated on account of adoption of IFRS 17. Revenue has been decreased by QR 16 million and net profit has been decreased by QR 4 million
Note 3: Investment income includes dividend income, capital gains, unrealized gain / loss on revaluation of held for trading investment securities and finance income.

Revenue within the insurance segment for the year ended 31 December 2023 increased by 33% as compared to previous year, to reach QR 1.2 billion. The notable increase in revenue was mainly linked to the acquisition of new contracts in the medical line of business and the expansion of premiums in the general line of business.

On the contrary, the net earnings for the segment experienced a substantial increase of 52% compared to the previous year, reaching QR 103 million for the fiscal year ending on December 31, 2023. The significant growth in bottom-line profitability can be primarily attributed to an augmented revenue stream, coupled with the robust investment income.

The recovery of unrealized losses and gains recorded in the revaluation of held-for-trading investment securities, in addition to higher finance income derived from fixed deposits further contributed to the overall increase in investment income.

On quarter-on-quarter basis, the segment revenue for Q4-23 increased by 4% due to new contracts from the medical business. However, segmental profitability for Q4-23 declined marginally by 14%, mainly due to higher net claims reported.

Amwaj Appointment of new Board of Directors and CEO:

Following the announcement dated 21st September 2023 pertaining to GIS approving final merger transaction agreement of Amwaj. Amwaj is pleased to announce the appointment of the new board of directors and the selection of a highly experienced Chief executive officer (CEO). The new board comprised of distinguished members with 2 representatives from each shareholder, each bringing their unique expertise and perspectives to the table, and collectively, they are expected to drive Amwaj growth and success. This announcement signifies a pivotal moment for Amwaj as it solidifies its position as National Catering Leader.

The new board of directors of Amwaj consist of:

1- Mr. Jassem Al-Mesned- Chairman
2- Mr. Mohammed Ibrahim Al-Mohannadi- Vice Chairman
3- Mr. Carlo Rami- CEO and Board Member
4- Mr. Ahmad Abdulrahman Al-Mulla- Board Member
5- Mr. Saleh Tassabehji- Board Member
6- Mr. Mohammed Saadoun Al-Kuwari- Board Member

Mr Carlo Rami appointment as CEO marks a new era for Amwaj, as his deep knowledge of the catering industry is expected to bring fresh perspective to the company's operations post-merger of Amwaj , Shaqab and Atyab.

With an experienced board and visionary CEO, the new merged entity is well positioned to enhance its market position and tap new opportunities.

Proposed Dividend Distribution

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

Given a strong recovery in terms of the Group's financial results achieved during the current year, the Board of Directors after taking into account, the operating, investing, and the financing needs of Group's businesses is pleased to recommend a dividend distribution for the year ended 31 December 2023, equivalent to a pay-out of QR 0.15 per share and equating to 15% of the par-value of the share capital of QR 1 per share, subject to the approval of General Assembly.

Earnings Call

GIS will host an IR earnings call with investors to discuss its financial results, business outlook and other matters on Monday, 19 February 2024 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@qatarenergy.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.

Gulf International Services Q.P.S.C., its Directors, officers, advisors, contractors and agents shall not be liable in any way for any costs, losses or other detrimental effects resulting or arising from the use of or reliance by any party on any forward-looking statement and / or other material contained herein. Gulf International Services Q.P.S.C., its subsidiaries, and associated company are further in no way obliged to update or publish revisions to any forward-looking statement or any other material contained herein which may or may not be known to have changed or to be inaccurate as a result of new information, future events or any reason whatsoever. Gulf International Services Q.P.S.C. does not guarantee the accuracy of the historical statements contained herein.

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