

FOR IMMEDIATE RELEASE

**Gulf International Services reports a net profit of QR 161 million for the three-month period ended 31 March 2024, representing a growth of 76% compared to the previous year.**

- *Group's revenue amounted to QR 940 million for the three-month period ended 31 March 2024.*
- *EBITDA of QR 268 million for the three-month period ended 31 March 2024.*
- *Earnings per share of QR 0.0867 for the three-month period ended 31 March 2024.*
- *Both the aviation and drilling segments have shown enhanced performance compared to the first quarter of 2023, driven by favorable business conditions.*
- *Al-Koot is diversifying its product portfolio by introducing a new line of business: motor insurance.*

**Doha, Qatar; 30 April 2024:** Gulf International Services ("GIS" or "the Group"; QE ticker: GISS), today reported a net profit of QR 161 million for the three-month period ended 31 March 2024, with an earnings per share of QR 0.0867.

**Group financial performance updates**

<b>Key financial performance indicators</b>	<b>1Q-24</b>	<b>1Q-23</b>	<b>Variance (%)</b>
Revenue (QR' million)	940	837	+12%
Net profit (QR' million)	161	92	+76%
EBITDA (QR' million)	268	227	+18%
Earnings per share (QR)	0.0867	0.0492	+76%

Note: 2023 net profits have been restated due to adoption of IFRS 17, resulting in additional profit of QR 1 million recognized within Al-Koot for the three-month ended 31 March 2023.

Group's revenue for the three-month period ended 31 March 2024 amounted to QR 940 million, with an increase of 12% compared to the same period of last year. All subsidiaries witnessed growth in revenue compared to last year supported by improved day rates, higher asset utilization from the aviation and drilling segments and higher-flying hours in addition to improved premiums from the insurance segment.

The Group reported an EBITDA of QR 268 million and recorded a net profit of QR 161 million for the three-month period ended 31 March 2024. Improved profitability was mainly driven by growth in revenue coupled with reduction in finance costs by 49% on the back of the new debt restructure.

**Financial Performance – Q1-24 vs Q4-23**

Key financial performance indicators	Q1-24	Q4-23	Variance (%)
Revenue (QR' million)	940	907	+4%
Net profit/ (Loss) (QR' million)	161	(23)	+801%
EBITDA (QR' million)	268	96	+179%
Earnings per share (QR)	0.0867	(0.0124)	+801%

Revenue for Q1-24 increased by 4% compared to Q4-23, mainly on account of higher revenue reported from the aviation segment due to higher revenue from the domestic and MRO segments in addition to higher revenue from the drilling segment due to Rumaila commencing operations starting mid-March of this year.

On the other hand, Net profit of QR 161 million was reported during Q1-24 as compared to a Net loss of QR 23 million during the previous quarter, a significant increase by 801%. This increase in the Group's net profit was mainly due to higher profitability from the aviation segment due to increase in revenue, and lower net monetary losses arising from the accounting impact of hyperinflation from GHC's Turkish subsidiary. Whilst the drilling segment's reported profit compared to loss in the previous quarter mainly due to lower direct costs associated with lower maintenance costs and lower G&A expenses in addition to lower finance costs amid the debt restructure and one-off upfront fees related to the debt restructure paid in the previous quarter. Moreover, loss of QR 27 million was reported in the previous quarter as a result of the merger of Amwaj subsidiary.

**Financial position**

Key performance indicators	As at 31-Mar-24	As at 31-Dec-23	Variance (%)
Cash and short-term investments (QR' Billion)	1.1	1.3	-15%
Total Assets (QR' billion)	10.1	10.4	-3%
Total Debt (QR' billion)	4.32	4.41	-2%

The Group total assets remained flat compared to last year and stood at QR 10.1 billion as of 31 March 2024. Cash and short-term investments stood at QR 1.1 billion, down by 15% as compared to 31 December 2023. The decline in cash and short-term investments was mainly linked to payment of dividends for the financial year 2023.

Total debt at Group level amounted to QR 4.32 billion as of 31 March 2024. The recently concluded debt restructure has already begun to yield benefits as we witnessed a reduction in finance costs as compared to the previous year. The debt restructure aims to provide greater flexibility to manage liquidity and ease pressure on the Group's financial position.

**Commencement of Motor Insurance within Al-Koot:**

After conducting a comprehensive market analysis and strategic deliberation, Al-Koot, is pleased to unveil its strategic expansion into the motor insurance line of business. This move signifies Al-Koot's proactive approach to diversifying its product portfolio, aligning closely with emerging market trends, and demonstrating its unwavering commitment to meeting the evolving needs of its customers. By introducing this new line of business, Al-Koot aims to seize promising opportunities within the insurance landscape while solidifying its position in the local insurance industry.

**Operational and financial performance highlights by segments****Drilling:**

Key performance indicators	1Q-24	1Q-23	4Q-23	Variance (%) [1Q-24 vs 1Q-23]	Variance (%) [1Q-24 vs 4Q-23]
Revenue (QR' million)	355	337	352	+5%	+1%
Net profit/ (Loss) (QR' million)	18	(23)	(14)	+177%	+223%

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

Drilling segment reported a revenue of QR 355 million for the three-month period ended 31 March 2024, up by 5% compared to 1Q-23. Revenue growth has been driven by higher revenue from the offshore segment mainly due to higher management fees for certain rigs within the JV and improved day rate for the offshore rig (Leshat), moreover, the onshore segment also contributed positively to the revenue growth due to the deployment of the onshore drilling rig (GDI-4) during late Q3 2023.

The Segment reported a net profit of QR 18 million for the three-month period ended 31 March 2024, compared to a net loss of QR 23 million for 1Q-23. Profit reported was mainly attributed to the growth in revenue and reduction in finance costs by 49% due to lower interest rates amid the debt restructure.

On a quarter-on-quarter basis. The company reported a net profit of QR 18 million compared to net loss of QR 14 million in the previous quarter. Profit reported was mainly due to reduction in direct costs due to lower maintenance costs in addition to lower finance costs and lower G&A expenses as compared to the previous quarter. Moreover, Rumaila officially commenced operation during mid-March of this year which contributed positively to the revenue growth.

**Aviation:**

Key performance indicators	1Q-24	1Q-23	4Q-23	Variance (%) [1Q-24 vs 1Q-23]	Variance (%) [1Q-24 vs 4Q-23]
Revenue (QR' million)	270	226	236	+19%	+14%
Net profit (QR' million)	100	82	4	+22%	+2589%

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

Aviation segment reported a total revenue of QR 270 million for the three-month period ended 31 March 2024, with an increase of 19% compared to 1Q-23. The increase was mainly attributed to higher flying activity recorded, within both domestic and international operations. Total flying hours increased by 14% on a year-on-year basis, where locally the flying hours increased by 8%, while within the international segment flying hours increased by 23%. Within international segment, the increase was mainly reported from the Turkish operations, in addition to the contracts in Oman and Dubai which were not present during the first quarter of 2023. Segment's net profit reached QR 100 million, representing an increase of 22% compared to 1Q-23 mainly on account of revenue growth.

The segment revenue for Q1-24 versus Q4-23 increased by 14%, mainly due to additional revenue reported from the domestic and MRO segments. Q1-24 profitability increased significantly mainly due to improved revenue, lower net monetary losses recorded in the current quarter as compared to the previous quarter arising from the accounting impact of hyperinflation in Turkey and reduction in direct costs mainly related to maintenance and staff costs.

**Insurance:**

Key performance indicators	1Q-24	1Q-23	4Q-23	Variance (%) [1Q-24 vs 1Q-23]	Variance (%) [1Q-24 vs 4Q-23]
Revenue (QR' million)	315	274	321	+15%	-2%
Net profit (QR' million)	31	35	19	-11%	+60%

Note 1: Segment profits have been reported before impact of income taxes.

Note 2: Comparative figures for 1Q-23 have been restated on account of adoption of IFRS 17. Net profit has been increased by QR 1 million.

Revenue within the insurance segment for the three-month period ended 31 March 2024, increased by 15% as compared to 1Q-23, to reach QR 315 million. Increase in revenue was mainly linked to renewal of major contracts within the energy and medical line of business.

Segmental net earnings decreased by 10% as compared to 1Q-23, to reach QR 31 million. The decrease in bottom line profitability was mainly driven by increase in re-insurance costs which was partially offset by improved revenue and higher investment income recognized from the investment portfolio, on account of favorable movement in the capital markets, which positively affected the market-to-market valuations of the investment portfolio.

On quarter-on-quarter basis, the segment revenue for Q1-24 decreased marginally by 2%. However, segmental profitability for Q1-24 increased significantly by 60%, mainly due to lower net claims reported which was partially offset by lower investment income during the current quarter.

**Catering:**

Key performance indicators	1Q-24	1Q-23	4Q-23	Variance (%) [1Q-24 vs 1Q-23]	Variance (%) [1Q-24 vs 4Q-23]
Share of Revenue (QR' million)	107	119	110	-10%	-3%
Share of Net earnings (QR' million)	10	5	5	+100 %	+100%

Catering segment reported a share of revenue of QR 107 million compared to revenue of QR 119 million in the previous year. The segment reported a share of net profit of QR 10 million as compared to QR 5 million in the previous year, increase in net profit is mainly driven by the impact of the new merger with Shaqab and Atyab.

**Earnings Call**

GIS will host an IR earnings call with investors to discuss its financial results, business outlook and other matters on Tuesday 7<sup>th</sup> of May 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](mailto:gis@qatarenergy.qa) or visit [www.gis.com.qa](http://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