

FOR IMMEDIATE RELEASE

Gulf International Services reports a net profit of QR 415 million for the nine-month period ended 30 September 2023

- Group's revenue reached QR 2.6 billion for the nine-month period ended 30 September 2023, improved by 18% versus 9M-22.
- 9M-23 EBITDA of QR 803 million, higher by 28% compared to 9M-22.
- Earnings per share of QR 0.223 for the nine-month period ended 30 September 2023.

Doha, Qatar; 29 October 2023: Gulf International Services ("GIS" or "the Group"; QE ticker: GISS), today reported a net profit of QR 415 million for the nine-month period ended 30 September 2023, with an earnings per share of QR 0.223.

Group Financial Performance – 9M-23 vs 9M-22

Key financial performance indicators	9M-23	9M-22	Variance (%)
Revenue (QR' million)	2,632	2,230	+18%
Net profit (QR' million)	415	267	+55%
EBITDA (QR' million)	803	625	+28%
Earnings per share (QR)	0.223	0.144	+55%

Note 1: Comparative figures for 9M-22 have been restated on account of adoption of IFRS 17 and other restatements.

Group's revenue for the nine-month period ended 30 September 2023 amounted to QR 2.6 billion, with an increase of 18% compared to the same period of last year. Revenue growth from the aviation, drilling and insurance segments led to an overall increase in the Group revenue. Catering revenue of QR 312 million is presented separately as part of discontinued operations as per IFRS 5 requirements.

The Group reported an EBITDA of QR 803 million and recorded a net profit of QR 415 million for the nine-month period ended 30 September 2023. Growth in the Group's revenues coupled with increase in finance income and hyperinflationary accounting in one of the overseas operations led to an overall increase in net earnings. On the other hand, the Group's direct costs increased by 7%, mainly linked to increased commercial activity.

9M-23 Group's finance cost significantly increased by 34% to reach QR 163 million, as a result of persistently higher interest rates. However, further, to concluding the refinancing deal, the third quarter of this year witnessed a decline in finance costs compared to the previous quarter.

Overall, the Group's 9M-23 financial performance is resilient, with strong revenue growth and healthy margins.

Financial Performance – Q3-23 vs Q2-23

Key financial performance indicators	Q3-23	Q2-23	Variance (%)
Revenue (QR' million)	920	875	+5%
Net profit (QR' million)	134	191	(-30%)
EBITDA (QR' million)	222	351	(-37%)
Earnings per share (QR)	0.072	0.103	(-30%)

Revenue for Q3-23 increased by 5% compared to Q2-23, mainly on account of better revenue reported from the aviation segment due to growth in the domestic, international and MRO segments. The insurance

segment also contributed positively to the quarterly revenue growth supported by new contracts added during the quarter. Growth in revenue was slightly offset by negative movement in the topline from the drilling segment due to planned maintenance for 2 offshore rigs.

Net profit for Q3-23 decreased by 30% compared to Q2-23. This reduction in the Group's net profit was mainly attributed to lower profitability from the aviation segment due to negative inflationary impact of QR 3 million during Q3 2023 compared to positive inflationary impact of QR 40 million in the previous quarter. Whilst the drilling segment's reported losses due to reduction in revenue during the quarter.

Financial position

Key performance indicators	As at 30-Sep-23	As at 31-Dec-22	Variance (%)
Cash and short-term investments (QR' billion)	1.22	1.14	+7%
Total Assets (QR' billion)	10.3	10.0	+6%
Total Debt (QR' billion)	4.38	4.37	+0%

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

Note2: Cash and bank balances has been reported based on non-IFRS based proportionate consolidation.

The Group total assets increased by 6% during the current reporting period compared to last year and stood at QR 10.3 billion as of 30 September 2023. Cash and short-term investments stood at QR 1.2 billion, up by 7% compared to 31 December 2022. Total debt at the Group level amounted to QR 4.38 billion as of 30 September 2023.

GIS' recent debt restructuring is a significant achievement that will facilitate the company's strategic repositioning and enhance its long-term growth prospects. By gradually reducing its debt levels and lowering its borrowing costs, GIS will improve its financial flexibility and profitability. This will enable the company to invest more in its core business, pursue new growth opportunities, and strengthen its competitive position.

Operational and financial performance highlights by segment

Drilling:

Key performance indicators	9M-23	9M-22	Variance (%) [9M-23 vs 9M-22]	Q3-23	Q2-23	Variance (%) [Q3-23 vs Q2-23]
Revenue (QR' million)	978	950	+3%	312	328	-5%
Net profit / (loss) (QR' million)	(23)	(40)	+42%	(2)	1	-213%

Note 1: Segment profits / (losses) have been reported before impact of income taxes.

The drilling segment reported a revenue of QR 978 million for the nine-month period ended 30 September 2023, up by 3% compared to the same period of 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. This was partially offset by lower revenue from the lift boat and barges segment due to lift-boat going off-contract during the previous quarter.

The segment reported a net loss of QR 23 million for the nine-month period ended 30 September 2023, compared to a net loss of QR 40 million for 9M-22. This reduction in losses was primarily due to 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 partially offset these gains.

On a quarter-on-quarter basis, the segment reported a net loss of QR 2 million compared to a net profit of QR 1 million in the previous quarter. Loss reported was mainly due to lower revenue on the back of planned maintenance of 2 offshore rigs during Q3 2023. Lower profitability was partially offset by reduction in finance costs during the current quarter.

Aviation:

Key performance indicators	9M-23	9M-22	Variance (%) [9M-23 vs 9M-22]	Q3-23	Q2-23	Variance (%) [Q3-23 vs Q2-23]
Revenue (QR' million)	799	689	+16%	300	272	+10%
Net profit (QR' million)	340	269	+26%	111	147	(-25%)

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

Note 2: Comparative figures for 9M-22 have been restated on account of IAS 29. Net profit has been increased by QR 5 million

The aviation segment achieved a total revenue of QR 799 million for the nine-month period ended 30 September 2023, marking a notable 16% growth compared to the corresponding period in the prior year. This increase can be primarily attributed to heightened flying activity witnessed within both domestic and international operations, coupled with robust revenue expansion across the Maintenance, Repair, and Overhaul (MRO) business as well as the growth in revenue in international locations, notably Turkey and Angola.

During this period, the aviation segment achieved a net profit of QR 340 million, marking an impressive 26% increase compared to the performance in 9M-22. This remarkable profit rise can be largely attributed to the aforementioned revenue expansion, coupled with higher finance income and positive inflationary impact in relation to IAS 29 adjustment.

The segment revenue for Q3-23 versus Q2-23 increased by 10%, mainly driven by higher revenue from the domestic segment due to the price increase adjustment recorded in the current quarter in addition to higher revenue from RSA supported by higher flying hours and new contracts mobilizing in Lebanon and UAE. Q3-23 profitability decreased by 25% compared to the previous quarter mainly impacted by negative inflationary impact of QR 3 million during Q3 compared to positive inflationary impact of QR 40 million in the previous quarter.

Insurance:

Key performance indicators	9M-23	9M-22	Variance (%) [9M-23 vs 9M-22]	Q3-23	Q2-23	Variance (%) [Q3-23 vs Q2-23]
Revenue (QR' million)	855	622	+38%	307	275	+12%
Net profit (QR' million)	83	46	+80%	20	29	-31%

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

Note 2: Comparative figures for 9M-22 have been restated on account of adoption of IFRS 17. Revenue has been decreased by QR 10 million and net profit has been decreased by QR 6 million

Note 3: Investment income includes dividend income, capital gains, unrealized gain / loss on revaluation of held for trading investment securities and finance income.

During the nine-month period ended 30 September 2023, the insurance segment reported a notable 38% increase in revenue compared to the corresponding period in the previous year, amounting to QR 855 million. This upsurge in revenue was primarily attributed to the acquisition of new contracts in the medical line of business and the expansion of premiums in the general line of business.

Furthermore, the net earnings of the segment demonstrated a significant growth of 80% in comparison to the corresponding period of the preceding year, reaching QR 83 million. This enhancement in bottom-line profitability can be primarily attributed to the augmented revenue stream, complemented by the robust recovery of the segment's investment portfolio. Notably, an increase of QR 16 million was observed in investment income for the nine-month period ended 30 September 2023 as compared to the same period in 2022.

This increase can be predominantly attributed to 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.

On quarter-on-quarter basis, the segment revenue for Q3-23 increased by 12%. However, segmental profitability for Q3-23 declined by 31%, mainly due to higher net claims reported and lower investment income as compared to the previous quarter.

Catering:

Key performance indicators	9M-23	9M-22	Variance (%) [9M-23 vs 9M-22]	Q3-23	Q2-23	Variance (%) [Q3-23 vs Q2-23]
Revenue (QR' million)	312	395	(-21%)	96	97	(-1%)
Net profit / (loss) (QR' million)	2	1	+235	0.1	(3)	+103%

Note 1: Segment profits / (losses) have been reported before impact of income taxes.

Note 2: Catering business (i.e., 100% Catering operations) has been classified as 'discontinued operations' under IFRS 5 and reported separately in the consolidated financial statements.

The catering segment reported a revenue of QR 312 million, reflecting a reduction of 21% compared to the corresponding period of the previous year. The revenue reduction was mainly due to the completion of FIFA World Cup related contracts, non-renewal of certain contracts within the catering segment, and lower occupancy level experienced from the accommodation segment. The segment reported a net profit of QR 2 million for the nine-month period ended 30 September 2023, compared to a net profit of QR 1 million for 9M-22. This improvement in profitability was mainly due to higher finance income.

On a quarter-on-quarter basis, segmental revenue witnessed a marginal reduction of 1% compared to the previous quarter. On the other hand, the segment reported a net profit of QR 0.1 million for the current quarter.

Earnings Call

GIS will host an IR earnings call with investors to discuss its financial results, business outlook and other matters on Tuesday, 31st Oct 2023 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.

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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