

**Gulf Marine Services PLC**  
**(‘Gulf Marine Services’, ‘GMS’, ‘the Company’ or ‘the Group’)**

**2023 ANNUAL REPORT AND NOTICE OF 2024 ANNUAL GENERAL MEETING**

The Company advises that the 2023 Annual Report, the Notice of the 2024 Annual General Meeting and Form of Proxy are being made available to shareholders electronically today, 18 April 2024. The 2023 Annual Report (in pdf and ESEF compliant format), the Notice of 2024 Annual General Meeting and Form of Proxy are available on the Company's website at [www.gmsplc.com](http://www.gmsplc.com).

In accordance with LR 9.6.1, copies of the above documents have also been submitted to the FCA's National Storage Mechanism and will shortly be available for inspection on the National Storage Mechanism's website, <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Hard copies of the 2023 Annual Report, Notice of the 2024 Annual General Meeting and Form of Proxy are today being posted to those shareholders having elected to receive paper copies.

In accordance with Disclosure Guidance and Transparency Rule 6.3.5, additional information is set out in the appendices to this announcement. This information is extracted from the 2023 Annual Report. The appendices should be read in conjunction with the Company's Full Year 2023 Results Announcement, issued at 07:00 on 4 April 2024, RNS Number 2402J. This material is not a substitute for reading the full 2023 Annual Report.

The Company will hold its Annual General Meeting (the ‘AGM’) at 2:30 p.m. (UAE time) on Wednesday, 5 June 2024 at Gulf Marine Services WLL, Office 403, International Tower, 24th (Karama) Street, Abu Dhabi, United Arab Emirates.

The Board recognises that the AGM is an important event for shareholders in the corporate calendar and is committed to ensuring that shareholders can exercise their right to vote and ask questions in connection with this meeting. Accordingly, for those shareholders that do not wish to attend, or those that wish to attend and are unable to do so, questions in connection with the business of the AGM can be submitted on reasonable notice by email to [cosec@gmsplc.com](mailto:cosec@gmsplc.com) in advance of the AGM and, in so far as relevant to the business of the meeting, questions will be responded to by email and taken into account as appropriate at the meeting itself. We are not planning to have a Directors’ presentation at the AGM and it will be held strictly to conduct the business of the AGM.

Voting at the AGM will be by way of a poll so that all the votes cast in advance by shareholders appointing the Chairman of the Meeting as their proxy to vote on their behalf can be taken into account. Shareholders have one vote for each ordinary share held when voting on a poll and this procedure ensures that every vote can be cast.

The results of the AGM will be announced as soon as practical after it has taken place.

Shareholders wishing to vote on any of the matters of business at the AGM are encouraged to submit their votes (as soon as possible) in advance of the meeting and in any case, by 11.30am (UK time) on 3 June 2024 through the proxy and electronic voting facilities and to appoint the Chairman of the meeting as their proxy for this purpose. Further details are included in the Notice of the AGM.

## Appendix A

### Statement of Directors' Responsibilities

The following responsibility statement is repeated here solely for the purpose of complying with DTR 6.3.5. This statement relates to, and is extracted from, page 76 of the 2023 Annual Report.

These responsibilities are for the full 2023 Annual Report and not the extracted information presented in this announcement or otherwise.

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The Directors of the Company and their responsibilities as at 3 April 2024 are set out below:

**Mansour Al Alami**, Executive Chairman

**Hassan Heikal**, Deputy Chairman, Non-Executive Director

**Lord Anthony St John of Blestso**, Senior Independent Non-Executive Director

**Charbel El Khoury**, Non-Executive Director

**Jyrki Koskelo**, Independent Non-Executive Director

**Haifa Al Mubarak**, Independent Non-Executive Director

## Appendix B

### Principal risks and uncertainties

The following has been extracted from pages 14 to 18 of the 2023 Annual Report:

The rating of the principal risks facing the Group in the next five years are set out below, together with the mitigation measures. These risks are not intended to be an exhaustive analysis of all risks.

Risk	Mitigating factors and actions
<b>1 Utilisation</b>	
Utilisation levels may be reduced by the following underlying causes:  • Customer concentration leading to potential changes in our contract profile and pipeline. Risks of potential loss of some clients to	<b>Strengthening Client Engagement and Foster Loyalty</b> The Group maintains strong client relationships through consistent communication and a demonstrated history of delivering secure and reliable services. GSM has formulated strategies

<p>competitors.</p> <ul style="list-style-type: none"> <li>• ADNOC continues to expand its fleet thus controlling the UAE market.</li> <li>• Fleet capabilities may no longer match with changing client requirements. Clients may increase the standard specification required for a Self-Elevating Support Vessel (SESV), which might require the Group to upgrade some of its fleet to be compliant.</li> </ul>	<p>for fleet upgrades aligned with anticipated client needs in the future. These initiatives aim to craft commercial proposals that foster loyalty, encouraging customers to commit to longer-term contracts involving a greater utilisation of vessels through incentivisation.</p> <p><b>Diversification Strategies Across Business Segments and Geographies</b> The Group actively seeks opportunities to optimise vessel utilisation and consistently evaluates avenues for diversifying its market presence by expanding its client portfolio.</p> <p><b>Customisation Capabilities for Client Needs</b> The Group is capable of modifying assets in order to satisfy client requirements. Further, GMS' vessels are adaptable to compete for a wider market share, enabling the Group to maximise the utilisation level and charter day rates.</p> <p>To comply with LIMS (Lifting Integrity Management System) the Group has involved engineering companies to perform technical studies on existing equipment to extend the life of equipment (time limited).</p>
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## 2 Inability to secure an appropriate capital structure

<p>Poor financial performance, such as declining revenues or profitability, can make it more difficult for the Group to attract financing or negotiate favourable terms.</p> <p>A low share price may prevent GMS from raising sufficient levels of equity to recapitalise the business.</p> <p>As warrants were issued in January 2023, this may impact the Group's ability to attract new investors as there would be a potential dilution if these warrants are exercised.</p>	<p><b>Focus on Deleveraging</b> Conscious focus on deleveraging has resulted in reduction in leverage levels to 3.05 times compared to 4.4 times in 2022. Group anticipates net leverage ratio to be below 2.5 times before the end of 2024.</p> <p><b>Investors Relationship Management</b> Maintain strong investor relations and ensure timely dissemination of Regulatory News Service (RNS) updates.</p> <p><b>Increased share price</b> The share price has increased from 4.65 pence as of 31 December 2022 to 14.5 pence as of 31 December 2023, reflecting investors' confidence in the Group's business strategy.</p>
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## 3 Arabian Peninsula Local Content Requirements

<p>Arabian Peninsula region National Oil Companies (NOCs) have local content requirements as part of</p>	<p><b>Local Content Requirements</b></p>
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<p>their tender processes, which varies for each country, designed to give preference to suppliers that commit to improving their local content and levels of spend and investment in-country. This may prevent GMS from winning new contracts or lead to financial loss and/or a reduction in profit margins on existing contracts, which will ultimately impact operating cash flows and net profitability.</p>	<p>GMS fully embraces local content regulations, reflecting its extensive experience in serving NOCs in the Arabian Peninsula region. The Group maintains offices in Arabian Peninsula region countries where it operates, actively overseeing its supply chain to prioritise the enhancement of local content. When required, GMS collaborates with local partners in targeted markets to strategically position itself for project acquisition. Notably, during the tendering phase, companies with superior audited local content scores are typically offered first refusal to match any lower bids.</p> <p><b>Market Knowledge and Operational Expertise</b> The Group has well-established long-term relationships in the Arabian Peninsula region which provides an understanding of clients' requirements and operating standards.</p> <p><b>Local Content</b> The Group continues to explore ways to improve its local content scores in all the regions in which it operates. We are tracking the scores in two jurisdictions.</p>
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**4 Inability to deliver safe and reliable operations**

<p>Geo-political events or pandemic may impact ability to safely operate assets due to restricted crew travel in certain countries.</p> <p>The Group may suffer commercial and reputational damage from an environmental or safety incident involving employees, visitors or contractors.</p> <p>Inadequate preparation for situations, such as sudden equipment failure, inability to fulfil client requirements and unpredictable weather could have a negative impact on the business.</p> <p>Incomprehensive insurance coverage may lead to financial loss.</p>	<p><b>Safety Commitment and Operational Reliability</b> Our highest priority is providing safe and reliable operations. This is achieved through a resilient Health, Safety, Environment and Quality (HSEQ) management system and a strong safety-focused culture. Management has appropriate safety practices and procedures including disaster recovery plans and comprehensive insurance cover across our fleet.</p> <p><b>Training and Compliance</b> Our employees undergo continuous and rigorous training on operational best practices.</p> <p><b>Scheduled Maintenance</b> The Group adheres to regular maintenance schedules on its vessels to ensure compliance with the highest safety standards.</p> <p><b>Business Continuity Plan</b> The Group has implemented a business continuity management plan, which it regularly updates to ensure the reliability of its operations, including the capability to transfer crew and source spares from different regions to maintain safe operations.</p>
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Management continues to review and improve the current management systems and monitors the performance of HSEQ.

## 5 Liquidity and covenant compliance

The business is exposed to short-term liquidity management risks due to high interest rates and inflation, which could impact the debt service obligations and the Group's bank facilities covenants.

Reduced liquidity could impact future operations and lead to an event of default. This would give lenders the right to accelerate repayment of the outstanding loans, and then exercise security over the Group's assets.

Breach of covenant – All covenants are closely monitored due to the Group's performance being very sensitive to many internal and external factors such as utilisation, operational downtime, interest rates and other variables.

### Liquidity Management

The Group continues to manage liquidity carefully through focusing on cash collection from its customers.

### Optimising Capital Expenditure

The Group continues to restrict capital expenditure to essential spending as well as specific client requirements, but without jeopardising the safe and reliable operations of its vessels.

### Covenant Compliance

The management team and Board regularly examine future covenant compliance based on the latest forecasts and take necessary measures to avoid any potential where a future breach of covenant is at risk. The Group monitors its various covenants throughout the remaining period of the loan.

### Focus on Deleveraging

Management continues to focus on making early repayments of the bank loans to reduce the interest costs, improve our leverage position and meet our covenant requirements.

## 6 People

Attracting, retaining, recruiting and developing a skilled workforce.

Losing skills or failing to attract new talent to the business has the potential to undermine performance.

### Effective Communication, Training and Engagement Initiatives

Communication has remained a key practice of management. GMS held a full two-day strategy meeting at the Group's headquarters in Abu Dhabi. This brought together the Board and Senior Management in a productive forum discussing longer-term plans for the business. It included presentations and discussion on each key aspect of the Group's operations, recent and future industry developments and ongoing and future strategic plans.

Further, events like our recent Abu Dhabi headquarters celebration, recognising employee milestones from 10–25 years of tenure, reinforce our united culture. As the Group matures and longtime experts pass their torches, we are committed to developing the next generation of leaders equipped to guide our mission.

**Remuneration Policy**

The Short-Term Incentive Plan (STIP) is based on a single Business Corporate Scorecard to ensure all staff are aligned and incentivised around delivering a single set of common goals.

**Equal Opportunities**

GMS is engaged in fair and transparent recruitment practices. It has a zero-tolerance policy towards discrimination and provides equal opportunities for all employees.

Further, GMS adds value through development programs, promotion from within the organisation and focus on growing talent.

**Resource Planning**

The Group has identified all critical roles held by individuals and have adopted processes to ensure the smooth transition in the event of changes in those personnel. Also, in the short term, the Group utilised recruitment specialists and head-hunters to fulfil key positions as the need had arisen.

**7 Legal, economic, and political conditions**

Political instability in the regions in which GMS operates (and recruit from) may adversely affect its operations.

As the majority of crew for certain key positions come from Eastern Europe and Southeast Asia, political instability may hamper the recruitment, retention and deployment of personnel.

**Emergency Response Planning and Insurance**

For all our major assets and areas of operation, the Group maintains emergency preparedness plans. Insurance cover over the Group's assets is reviewed regularly to ensure sufficient cover is in place.

**Workforce Planning and Monitoring**

Workforce planning and demographic analysis is undertaken in order to increase diversity within the Group. Multiple new recruitment agencies registered to source and diversify crew composition across different geographies.

**Monitoring Inflation and Interest Rates**

Management is continually monitoring the liquidity position from changes in inflation and a focus on cost reduction. During the year, GMS has recruited a Cost Controller to monitor and manage financial expenditures to ensure adherence to budgetary constraints and optimise cost efficiency. The key aim of the Group is to deleverage through early repayments, which will reduce the impact of interest.

## 8 Compliance and regulation

Non-compliance with anti-bribery and corruption regulations could be detrimental to stakeholder relations and lead to reputational and financial loss.

GMS' operations are subject to international conventions on – and a variety of complex federal and local laws, regulations and guidelines relating to – health, safety and the protection of the environment. Compliance with these has become increasingly costly, complex and stringent. Failure to appropriately identify and comply with laws and regulations, could lead to regulatory investigations.

Compliance with recently introduced UAE Corporate Tax Regulations, including adherence to transfer pricing requirements, poses potential administrative and financial obligations for the Group.

### **Code of Conduct**

The Group has a Code of Conduct which includes anti-bribery and corruption policies, and all employees are required to comply with this Code when conducting business on behalf of the Group. It is mandatory for employees to undergo in-house training on anti-corruption. All suppliers are pre-notified of anti-bribery and corruption policies and required to confirm their compliance with these policies.

### **Regulations**

A central database is maintained which documents all of GMS' policies and procedures which comply with laws and regulations within the countries in which GMS operates.

A dedicated Company Secretary is in place to help monitor compliance, in particular for UK legal and corporate governance obligations.

### **External Review**

The internal auditors help ensure compliance with GMS policies, procedures, internal controls and business processes.

### **Engagement of Tax Consultant**

A reputed tax consultant has been engaged to assist with a Group tax health check, a review of Group's transfer pricing policy and implementation of corporate tax in the UAE.

## 9 COVID-19 pandemic – Removed during 2023

## 10 Cyber-crime – security and integrity

Phishing attempts result in inappropriate transactions, data leakage and financial loss. The Group is at risk of loss and reputational damage through financial cyber-crime.

### **Cybersecurity Monitoring and Defence**

GMS operates multi-layer cyber-security defences which are monitored for effectiveness to ensure they remain up to date.

GMS engages with third-party specialists to provide security services.

## 11 Climate change

Climate change poses both transition and physical risks to the Group.

The transition risks come from the decarbonisation of the global economy.

This could result in changing investor sentiment making new investors harder to find. It may bring

### **Legal and Policy Monitoring**

The Group carefully monitors legislative developments to ensure compliance with all relevant laws both in the UK and the Arabian Peninsula region. The TCFD disclosure in this report explains our assessment and response to

<p>changing client preferences leading to reduced demand for our services.</p> <p>New legislation could require us to increase reporting and possibly substitute our products and vessels for greener alternatives.</p> <p>Physical risks include rising temperatures, which could further impact working hours, and rising sea levels, which could affect where our vessels can operate.</p> <p>The physical risks also interact with principal risk 4 – Our inability to deliver safe and reliable operations.</p>	<p>climate-related risks to be transparent with our stakeholders.</p> <p><b>Physical Infrastructure</b> The Group monitors weather patterns to ensure conditions are suitable for our offshore employees and vessels. Onshore buildings and offshore vessels are designed to withstand the heat in the Arabian Peninsula region.</p> <p><b>Environmental Impact</b> GMS aims to minimise its environmental impact by installing energy and water efficiency measures. We also ensure our machinery and engines are regularly maintained so they operate efficiently.</p> <p><b>Long-term Planning</b> GMS has a proven track record in the renewables sector which provides versatility in our business model. Our vessels are built to be as flexible as possible to maximise utilisation.</p> <p>We are aware that we may need to consider changing sea levels and environmental legislation when replacing vessels that are being retired in the long term.</p>
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– Ends –

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**Notes to Editors:**

Gulf Marine Services PLC, a company listed on the London Stock Exchange, was founded in Abu Dhabi in 1977 and has become a world leading provider of advanced self-propelled self-elevating support vessels (SESVs). The fleet serves the oil, gas and renewable energy industries from its offices in the United Arab Emirates, Saudi Arabia and Qatar. The Group's assets are capable of serving clients' requirements across the globe, including those in the Middle East, South East Asia, West Africa, North America, the Gulf of Mexico and Europe.

The GMS fleet of 13 SESVs is amongst the youngest in the industry, with an average age of eight years. The vessels support GMS's clients in a broad range of offshore oil and gas platform refurbishment and



maintenance activities, well intervention work and offshore wind turbine maintenance work (which are opex-led activities), as well as offshore oil and gas platform installation and decommissioning and offshore wind turbine installation (which are capex-led activities).

The SESVs are categorised by size – K-Class (Small), S-Class (Mid) and E-Class (Large) – with these capable of operating in water depths of 45m to 80m depending on leg length. The vessels are four-legged and are self-propelled, which means they do not require tugs or similar support vessels for moves between locations in the field; this makes them significantly more cost-effective and time-efficient than conventional offshore support vessels without self-propulsion. They have a large deck space, crane capacity and accommodation facilities (for up to 300 people) that can be adapted to the requirements of the Group's clients.

Gulf Marine Services PLC's Legal Entity Identifier is 213800IGS2QE89SAJF77

[www.gmsplc.com](http://www.gmsplc.com)

**Disclaimer**

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