GMS

Forward and Upward

Focused on Resilience and Agility to Deliver Shareholder Value

Gulf Marine Services PLC
Annual Report 2024

Our Vision

To be the best SESV operator in the world.

Who we are

GMS operates a versatile fleet of highly versatile self-propelled lift boats, across international markets. Our vessels provide a stable platform for delivering a wide range of safe and efficient services, primarily in the offshore oil, gas and renewable energy sectors.

Our vessels' versatility meets the demands of our clients, to provide cost-effective solutions, while minimising their environmental footprint.

Strategic Report

Governance

Financial Statements

For more information about us see our website

→ gmsplc.com

For more investor information see our website

→ gmsplc.com/Investor-Contacts.aspx

> “Our vessels’ versatility meets the demands of our clients, to provide cost-effective solutions.

Non-financial and sustainability information statement

The Group has complied with the requirements of section 414C7B of the Companies Act 2006 by including certain non-financial information and sustainability information with the strategic report. We have included the TCFD statements in our annual report, which requires premium listed companies like GMS to adopt LR 9.8.6(8)R.

The table below sets out where relevant information can be found within this report*:

Reporting requirement and policies and standards which govern our approach:	Information necessary to understand our business and its impact, policy due diligence and outcomes:
Environmental matters	
Greenhouse Gas (GHG) Emissions Policy	Carbon emission reporting, page 42
Climate change strategy	ESG, page 34
Carbon emission reporting	Carbon emission reporting, page 42
Taskforce on Climate-related Financial Disclosures (TCFD)	TCFD, page 32
Employees	
Anti-Bribery and Corruption Policy	Ethical practices, page 45
Social Responsibility Policy	Ethical practices, page 45
Whistleblowing Policy	Ethical practices, page 45 and Audit and Risk Committee report, page 65
Health and safety standards	Health and safety, page 47
Diversity and equal opportunities	Diversity, page 44, Directors’ Report, page 84
Employee engagement and welfare	Employee engagement and welfare, page 45
Human rights	
Disability Policy	Employees and policies, Directors’ Report, page 86
Anti-Slavery Policy	Ethical practices, page 45
Code of Conduct Policy	Ethical practices, page 45, Risk management, page 24
Principal risks and impact on business activity	Risk management, pages 24 to 30
Remuneration Policy	Remuneration Policy, page 70
Description of the business model	Business model, page 14
Key Performance Indicators (KPIs)	KPIs, page 18

* Further details on policies and procedures are available on our corporate website: www.gmsplc.com

Highlights

2024 Financial Highlights

- Adjusted EBITDA* increased by 15% to US$ 100.4 million (2023: US$ 87.5 million) driven by an increase in revenue. Adjusted EBITDA margin* also increased to 60% (2023: 58%).
- Group concluded the refinancing of US$ 300.0 million loan facility (US$ 250.0 million term loan amortised over five years and US$ 50.0 million working capital facility), denominated in United Arab Emirates Dirhams (AED).
- Finance expenses drops by 25% to US$ 23.5 million (2023: US$ 31.4 million), driven by the lower level of gross debt, the cessation of 250 basis points (bps) PIK interest and a reduction of the margin rate by 90 bps when the Group's net leverage ratio dropped below 4:1 as of March 2023, and a further reduction in the margin by 10 bps when the net leverage ratio passed below 3:1 as of March 2024. Additional reduction in margin rate is expected due to successful refinancing at better terms.
- Impact of changes in the fair value of the derivative decreased to US$ 5.3 million (2023: US$ 11.1 million), due to lower number of outstanding warrants offset by an increase in share price of the Company.
- Net reversal of impairment of US$ 9.2 million (2023:US$ 33.4 million) reflecting continuous improvement in market conditions.

Revenue

US$ 167.5m

(2023: US$ 151.6m)

Adjusted EBITDA*

US$ 100.4m

(2023: US$ 87.5m)

Adjusted EBITDA margin*

60%

(2023: 58%).

Net profit for the year

US$ 38.3m

(2023: US$ 42.1m)

Net bank debt*

US$ 201.2m

(2023: US$ 267.3m)

Underlying G&A expenses as percentage of revenue*

6.8%

(2023: 7.1%)

Net leverage*

2.0x

(2023: 3.05x)

Basic EPS (cents per share)

3.61

(2023: 4.07)

Diluted EPS (cents per share)

3.39

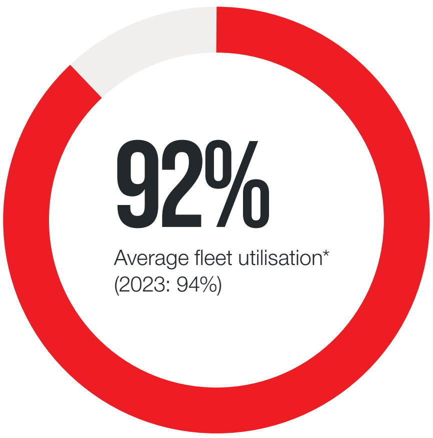
(2023: 3.92)

* Refer to Glossary and Other Definitions

2024 Operational Highlights

- New charters and extensions secured during the year totalled 23.8 years (2023: 8.4 years).
- Average day rates* increased to US$ 33.1k (2023: US$ 30.3k) with improvements across all vessel classes.
- Lost Time Injury Rate* (LTIR) remaining at zero for 2024, while Total Recordable Injury Rate* (TRIR) further reduced to zero (2023: 0.18).

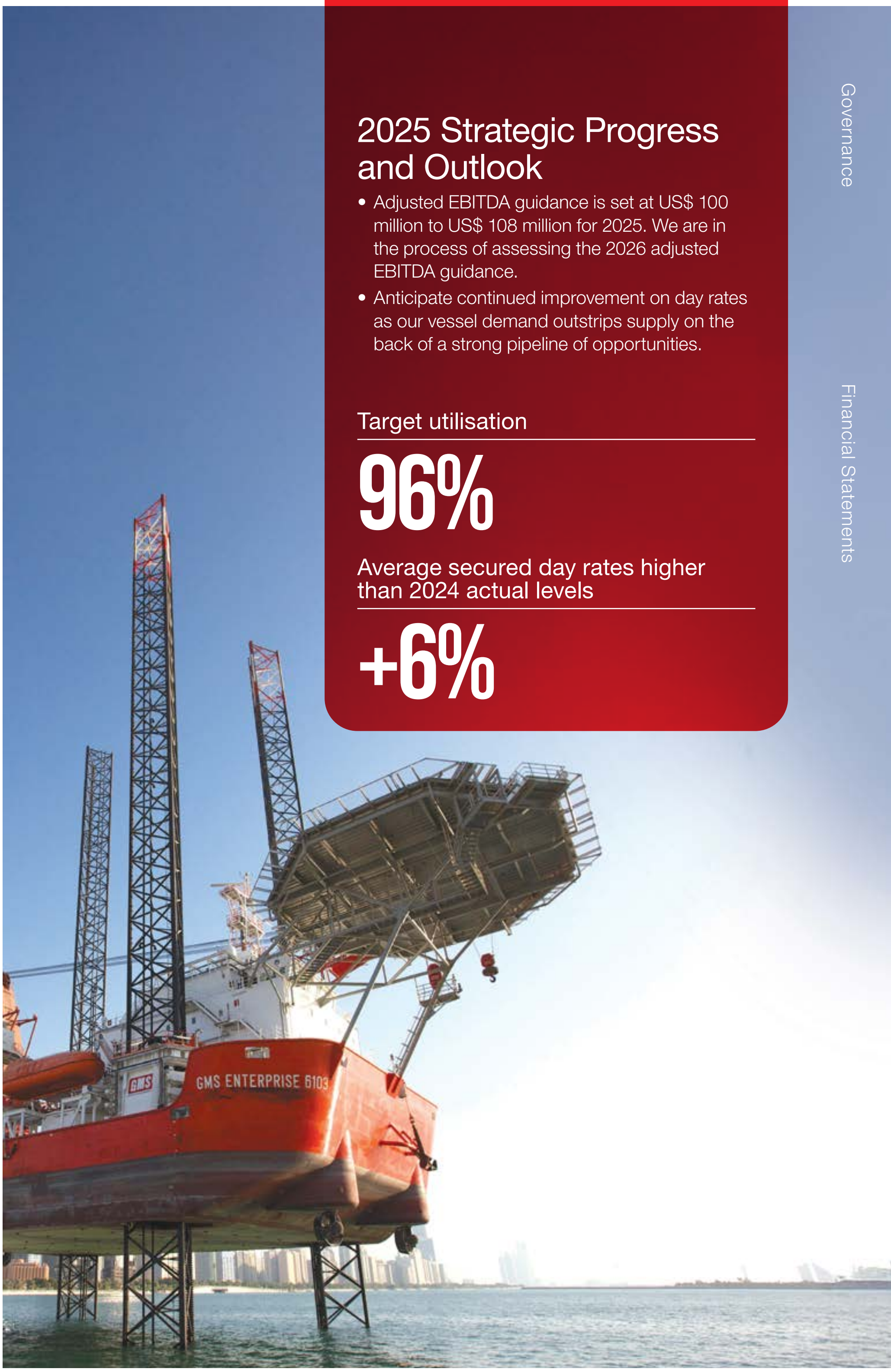
Strong operational efficiency maintained



Consistent low operational downtime

1.0%

(2023: 0.8%)



2025 Strategic Progress and Outlook

- Adjusted EBITDA guidance is set at US$ 100 million to US$ 108 million for 2025. We are in the process of assessing the 2026 adjusted EBITDA guidance.
- Anticipate continued improvement on day rates as our vessel demand outstrips supply on the back of a strong pipeline of opportunities.

Target utilisation

96%

Average secured day rates higher than 2024 actual levels

+6%

Focus on resilience and agility to deliver shareholder value

As we continue to navigate the dynamic landscape of our industry, our goal remains on ensuring sustainable resilience and on delivering long-term value to shareholders. The successful refinancing at improved terms this year reaffirms our ability to deliver on our commitments and highlights the progress GMS has achieved over recent years. Our focus continues to be on further reducing the debt as well as providing a balanced capital allocation, maximising business opportunities, and growing shareholder value.

Group Performance

The Group continued to improve its financial performance, driven by sustained high utilisation and increased average day rates across the fleet which rose to US$ 33.1k, up from previous year's US$ 30.3k. The growth in revenue resulted in improved adjusted EBITDA of US$ 100.4 million (2023: US$ 87.5 million). This is in line with the revised guidance of US$ 98.0 million to US$ 100.0 million. This was achieved by our operational performance in optimising financial results.

Capital Structure and Liquidity

As part of our strategic focus on resilience and agility, we reduced the net leverage ratio to 2.0x as of 31 December 2024 (31 December 2023: 3.05x). This improvement was driven by a reduction in net bank debt to US$ 201.2 million (31 December 2023: US$ 267.3 million) and improved EBITDA performance for the year.

In December 2024, the Group concluded the refinancing of a US$ 300.0 million loan facility, comprising of a US$ 250.0 million term loan amortised over five years and a US$ 50.0 million working capital facility, denominated in United Arab Emirates Dirhams (AED). The refinancing was secured at more favourable interest rates, reducing financing costs and enhancing the Group's flexibility in capital allocation. This is testimony to the confidence our lenders have in our strategy and outlook and underscores our financial resilience, allowing us to effectively manage key risks, as outlined in the risk matrix, while advancing our deleveraging efforts and pursuing growth opportunities.

Our future dividend policy allocating 20%-30% of the annual adjusted net profit for distributions to shareholders, through a dividend and/or potential share buybacks, provided other plans permit and that loan covenants are fully met, was announced during the year. Key to the sustainability of the business is maintaining financial stability. The combination of accelerated debt reduction and EBITDA growth will expedite our commitment to implementing our shareholder rewards program.

We have substantially increased our investor relations program leading to improved share liquidity over recent years and broadening our global shareholder network.

Business Development

The Group secured 7 new contracts and extended 5 existing ones, totalling 23.8 years in aggregate. This is an improvement on 2023 where 4 new contracts and extended 4 existing ones, totalling 8.4 years in aggregate. We also secured a new contract for an additional vessel in Europe, further strengthening its presence in the offshore wind sector. As a result of these contract wins and extensions, the Group achieved a backlog of US$ 570 million on 1 April 2025. This backlog sets the path towards generating future value for the shareholders. On top of our owned fleet of 13 vessels in the Middle East and Europe, we are also currently operating an additional leased vessel in the Middle East.

Governance

As a Board, following the successful deleveraging and restructuring of the Group over past years, we continue to focus on growing shareholder value by delivering medium and long-term sustainable growth of the business as well as maintaining our commitment towards stakeholder interests.

Our Audit and Risk Committee, led by Jyrki Koskelo, has focussed on the proactive mitigation and management of internal and external risks as well as public reporting and internal audit, ensuring full accountability and transparency. Within the Group, we continue to regularly review our policies and procedures on transparent and ethical business practices, including a Code of Conduct review for employees and stakeholders. This includes a regular review of our ESG (Environmental, Social, and Governance) policies including sustainability practices and community engagement.

Our Remuneration Committee, led by Lord Anthony St John, oversees remuneration across the Group, aligned with our strategic objectives and operational requirements. Lord St John also ensures strong independent representation and balance within the Board in his roles of Senior Independent Director and non-executive Director for Workforce Engagement.

In September 2024, Mr. Hassan Heikal, a non-independent non-executive Director of the Company, stepped down from the Board. On behalf of the Board, I would like to thank him for the input and guidance he provided to the Board and the Group.

Safety Standards and Operational Excellence

We are very focussed on strict adherence to maintaining safety and regular maintenance of our fleet and crew as well as the well-being of everyone at GMS. This includes those with whom we work, and others who are impacted by our activities, ensuring that we uphold the highest standards.

I am pleased to report that the Group has achieved a Lost Time Injury Rate (LTIR) of zero for both 2023 and 2024, with no cases requiring medical treatment or restricted work duties. Total Recordable Injury Rate (TRIR) reduced from 0.18 in 2023 to zero in 2024. These metrics are significantly better than the industry average.

We remain committed to continuous improvement in our systems and processes and will proactively engage our employees to ensure our offshore operations uphold the highest safety standards, consistent with the expectations of our stakeholders.

We continue to maintain strong operational efficiency, with a utilisation rate of 92% (2023: 94%), reflecting our commitment to optimising fleet performance and maximising asset utilisation. Additionally, we have maintained a low operational downtime of 1.0% (2023: 0.8%), demonstrating our focus on minimising disruptions and ensuring consistent service delivery.

Task Force on Climate-Related Financial Disclosures

We fully comply with LR 9.8.6(8)R requirements by ensuring that our climate-related financial disclosures are closely aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) proactively monitoring the impact of climate change to our business.

We conduct comprehensive climate scenario analyses to evaluate potential transition and physical risks to our operations over the short, medium and long term. This enables us to better understand and prepare for impacts of climate change, ensuring that these considerations are deeply embedded within our enterprise risk assessment framework.

As part of our commitment to robust governance, we hold annual risk management workshops attended by the myself and other Directors, where climate-related risks and mitigation strategies are a key focus. These findings can be found in our TCFD report, which is included on page 32 of this report.

Outlook

While offshore services sector continues a positive trajectory, and adaptability to potential future cycle changes remains essential. With a strong focus on operational excellence and safety, we aim to be well-positioned to navigate cyclical shifts and seize future opportunities. Our priority is to strengthen resilience and agility by improving our balance sheet and fulfilling our commitment to delivering long-term value to shareholders.

With 96% secured utilisation and improved day rates for 2025, we look forward to another year of strong financial performance with our adjusted EBITDA guidance for 2025 of between US$ 100.0 million and US$ 108.0 million.

We thank our shareholders for their ongoing support.

Mansour Al Alami
Executive Chairman
8 April 2025

> “The Group continued to improve its financial performance, driven by sustained high utilisation and increased average day rates across the fleet.

Providing offshore solutions across international markets

Established in 1977, GMS is a leading provider and operator of 13 self-propelled, self-elevating support vessels.

For over four decades we have served blue chip clients in Arabian Peninsula and Western Europe. Our vessels provide a stable platform for delivering a wide range of safe and efficient services, primarily in the offshore oil, gas and renewable energy sectors. Our vessels' versatility meets the demand of our clients, to provide cost-effective solutions, while minimising their environmental footprint.

GMS prides itself on operating its vessels to the highest standards. Managing Health and Safety risks are integral to our business and we pride ourselves on the strength of our safety record. In support of the global fight against climate change, GMS aims to progressively reduce its carbon footprint and waste, alongside that of its clients.

Our Services

Platform Maintenance

Renewables

Oil & Gas

GMS by numbers

Number of employees in 2024

727

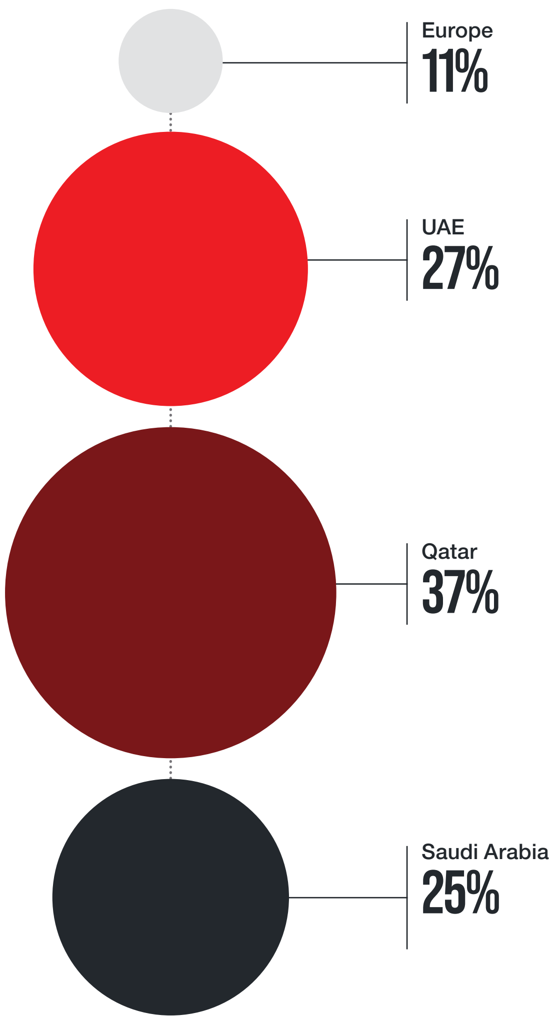
Number of vessels

13

Lost time injury rate

None

Geographic Exposure



→ Read more about our Market analysis on page 12

> Strong demand for our vessels continues to drive solid results.

Why invest

1
Proven Turnaround
Successfully transformed the business over the past four years.

2
Stronger Financials
Net leverage ratio reduced to 2.0x, enhancing financial stability.

3
Strong Cash Generation
A profitable business with consistent cash flow.

4
Established Brand Equity
The strength of the GMS brand, recognised for reliability and operational excellence, fostering long-term client relationships.

5
Improved Share Liquidity
Increased trading activity strengthens market position and investor appeal.

6
Earnings Visibility
Secured backlog of US$ 570 million (as at 01 April 2025), ensuring revenue stability.

7
Shareholder Returns
Dividend policy (20%-30% of net profit) underscores our commitment to investors.

8
Compelling Valuation
Discounted share price presents significant upside potential.

9
Agility & Adaptability
Positioned for resilience in a dynamic market.

10
Strategic Growth Potential
Exploring opportunities to enhance ROIC and maximise shareholder value.

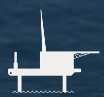
Our Fleet of Highly Versatile Vessels

Self-propelled, self-elevating vessels are a mobile unit that can raise its hull above the water to provide a stable platform for construction and maintenance work.

Used in support of various offshore energy exploration and production or offshore construction and maintenance activities. GMS prides itself on operating its vessels to the highest standards. Managing Health and Safety risks are integral to our business and we pride ourselves on the strength of our safety record. In support of the global fight against climate change, GMS aims to progressively reduce its carbon footprint and waste, alongside that of its clients, through the provision of its services.

For more information about our fleet see our website

→ gmsplc.com



Small Class
(K Class)

6 Units

Max Water Depth

45m

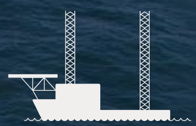
Deck Area

600m² – 800m²

Main Crane

36/75 Tonne

GMS Kamikaze | GMS Kikuyu
GMS Kudeta | GMS Kawawa
GMS Keloa | Pepper



Mid-size Class
(S Class)

3 Units

Max Water Depth

55m

Deck Area

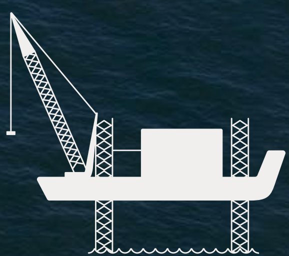
850m²

Main Crane

150 Tonne

Harsh weather capable & Dynamic Positioning (DP2)

GMS Shamal | GMS Scirocco
GMS Sharqi



Large Class
(E Class)

4 Units

Max Water Depth

70-80m

Deck Area

1000m²

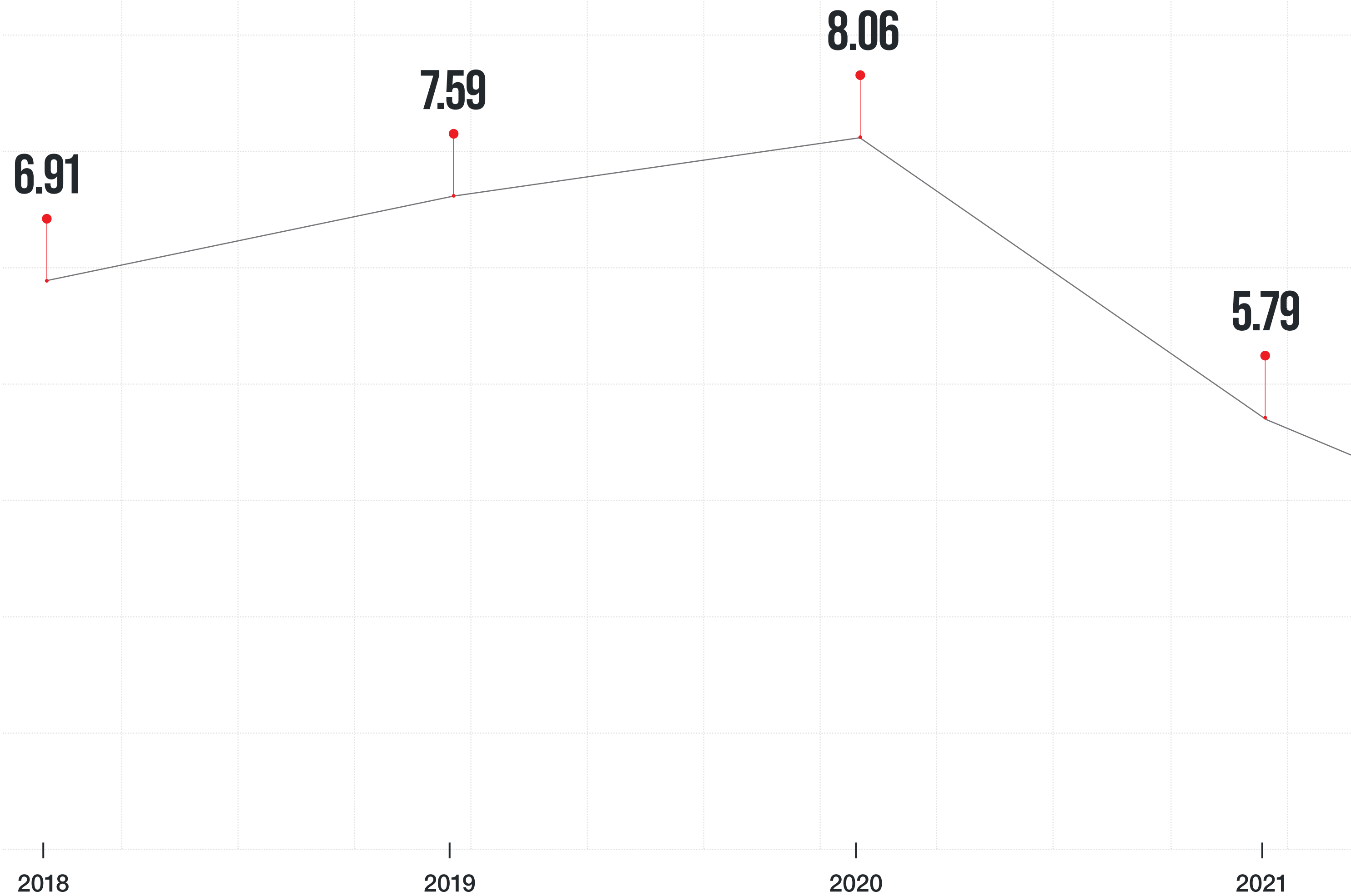
Main Crane

300/400 Tonne

Harsh weather capable & Dynamic Positioning (DP2)

GMS Endurance | GMS Endeavour
GMS Enterprise | GMS Evolution

We are continuing to build on our track record of reducing debt



Management's primary aim is to enhance shareholder value by swiftly and efficiently deleveraging the Group. The following strategic priorities are entirely geared towards accomplishing this key objective.

1

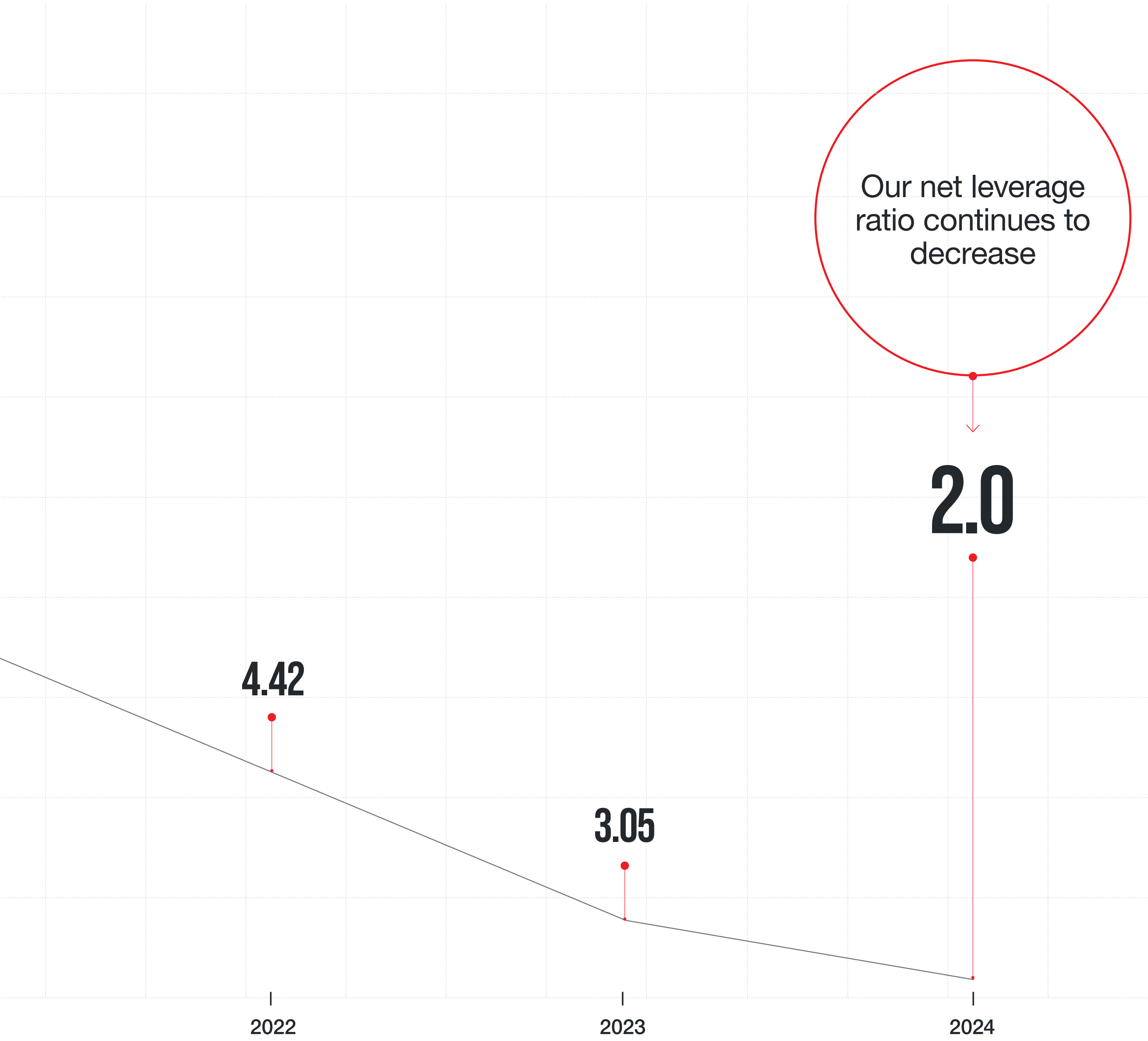
Financial Management

The Company is committed to deleveraging and shifting value from lenders to shareholders. In line with this, GMS has approved a dividend policy dedicating 20%-30% of annual adjusted net profit towards distributions to shareholders, through a dividend and/or potential share buybacks, provided all bank covenants are met and other plans permit.

2

Agility

GMS aims to adapt to market conditions by securing new contracts and maintaining high vessel utilisation rates. The Company has also announced a new bank facility to support its growth objectives.



3

Client Relationship Management

GMS maintains strong relationships with clients through continuous communication and a history of providing safe and reliable services.

4

Operational Excellence

The Company emphasises maintaining high standards of operational excellence, including safety and reliability, to meet client expectations and regulatory requirements.

Global demand and emerging economies

Global energy demand remains a key driver of investment in the oil & gas sector, supporting hydrocarbon exploration and production, and in turn, demand for supply chain services such as Self-Elevating Support Vessels (SESVs).

This demand is projected to continue to increase which is primarily driven by growth in emerging economies. As a result, global oil & gas production is expected to increase over the coming decade with growing offshore supply arising from developments in Latin America and the Arabian Peninsula Region.

GMS operates in the Arabian Peninsula Region and in North-West Europe, which continue to present opportunities for SESVs across oil & gas and offshore wind markets. We also monitor developments in other regions of the world.

Arabian Peninsula Region

The SESV market in the Arabian Peninsula Region continues to show strength. This sustained demand has led exploration & production companies to secure vessel capacity well in advance and for longer periods. While additional supply is expected to enter the market, there remains a strong preference for modern, high-capability assets, which may result in displacement of older capacity.

The Arabian Peninsula Region contributed 89% (2023: 91%) of the total GMS revenue for 2024. During the year, the Group secured six new contracts and extensions to five current contracts in the Arabian Peninsula Region with a total duration of 22.8 years. This suggests strengthening of demand for GMS vessels where clients are securing our vessels for longer periods well in advance. As of 31 December 2024, GMS operates four vessels in Qatar, three vessels in KSA and five vessels in the UAE.

North-West Europe

SESVs demand in North-West Europe is supported by ongoing Offshore Wind Farm construction and the expansion of operations and maintenance activities. Key markets such as the UK, Germany, the Netherlands, and Denmark continue to present growth opportunities, particularly in offshore renewable energy.

The North-West Europe region contributed 11% (2023: 9%) of the total GMS revenue for 2024. GMS currently has one vessel working in Europe, engaged in ongoing maintenance and operation of wind farms. The vessel is engaged on a long-term contract with options extending up to 2029. Further, GMS has secured a new contract for an additional vessel in Europe. The contract will start in 2026, further strengthening the Group's presence in the offshore wind farm sector.

> "Demand is projected to continue to increase driven primarily by growth in emerging economies and the expansion of Offshore Wind Farm construction and maintenance activities in North-West Europe.

Revenue by Geographic Segment in 2024

Europe	Saudi Arabia	Qatar	UAE
11%	27%	37%	25%

Providing practical and cost-effective solutions

We offer practical, cost-effective solutions to the complex challenges faced by our customers engaged in the offshore oil, gas and renewable energy sectors. Our fleet of self-propelled Self-Elevating Support Vessels (SESVs) are capable to meet the unique challenges of marine environments.

Our Resources

Elevating Health, Environment and Quality Standards

At GMS, safety is paramount. Our robust Health, Safety, Environment and Quality (HSEQ) framework and strong safety culture drive proactive risk management, resulting in a safe and healthy workplace for our people and a minimal environmental impact.

Optimising Cost and Efficiency

GMS understands the critical need for cost-effective and efficient solutions in our clients' operations. To address these demands, GMS maintains a fleet of 13 SESVs with an average age of 14 years. These vessels are designed to deliver reliable and cost-effective service while meeting stringent operational requirements.

Our Diverse Workforce, Our Strength

Our people are our greatest asset. We empower our diverse, globally experienced workforce to reach their full potential, driving innovation and propelling our organisation forward.

Securing Our Future Through Strategic Flexibility

Our flexible approach allows us to cater to a diverse range of clients across various industries and locations. Our global reach and adaptable fleet provide the flexibility to respond effectively to changing market demands. This adaptability positions GMS as a resilient player in the face of volatile market conditions.

Our Operations

Operates a Fleet of Self-propelled SESVs

GMS owns and operates a fleet of SESVs, which currently caters clients in the oil, gas, and renewable energy sectors in both the Arabian Peninsula region and North-West Europe. These SESVs, with an average age of 14 years, are well-positioned within the market to provide efficient and safe offshore support solutions to our clients.

Delivering Operational Excellence

GMS is committed to operational excellence, offering a full suite of services designed to enhance operational efficiency, minimise time and optimise resource allocation. We are dedicated to maintaining the highest safety standards, ensuring the well-being of all stakeholders and minimising our environmental impact.

Supporting Economic Growth

GMS is committed to supporting local economies. To meet the In-Country Value (ICV) requirements of some of our clients based in Arabian Peninsula, we collaborate closely with local suppliers to maximise local spending, boost economic growth and create opportunities. We also encourage our partners to prioritise local spending within their own supply chains, whenever possible.

Leveraging Metrics to Achieve High Performance

GMS prioritises productivity by ensuring clear, aligned, and regularly reported metrics across the Group. To further incentivise performance, the annual Short-Term Incentive Plan includes a scorecard that evaluates employee productivity.

What we Deliver

Shareholders

Driving sustainable growth by optimising asset utilisation, improving charter rates, streamlining operations, and strengthening our financial position through continuous deleveraging. We are committed to identifying and capitalising on new market opportunities.

Customers

GMS is committed to delivering exceptional services that prioritise safety, reliability, and cost-effectiveness, ultimately enhancing operational efficiency. By complying to stringent safety standards, we consistently provide top-tier services that surpass industry expectations.

People

Our team is at the core of our operations. We foster a positive and open work environment that prioritises both performance and well-being. This engaged workforce is essential to continuous improvement and success.

Suppliers

Prioritise long-term collaboration with local suppliers to drive innovation, reduce costs and strengthen our supply chain.

Outputs

Share price as of 31 December

15.1p

(2023: 14.5p)

Book value per share as of 31 December

36.13c

(2023: 32.23c)

New contracts and extensions

12

(2023: 8)

Retention of employees

88%

(2023: 88%)

Net leverage

2.0x

(2023: 3.05x)

Sustainable Value for Shareholders

Management's primary aim is to enhance shareholder value by swiftly and efficiently de-leveraging the Group. The following strategic priorities are entirely geared towards accomplishing this key objective.

Strategic Priority

1 Revenue Growth

- Improve charter day rates driven by favourable supply/demand dynamics in our core markets.
- Maximise utilisation through best-in-class operations.
- Continuously enhance operating capability while offering improved offshore support solutions, to anticipate client needs.
- Identify and capitalise on new market opportunities.

2 Cost Optimisation

- Deliver safe, efficient and cost-effective operations.
- Identify cost savings opportunities and negotiate better prices.
- Invest in employee training and development to enhance skills and improve productivity.

3 Working Capital Efficiency

- Improved cash management by reducing the debtor days whilst improving credit terms with our key suppliers.
- Maximise cash flows from operations while optimising capital expenditure to further deleverage and save on financing costs.

4 People Placement and Controls

- Maintain a robust internal control manual and an efficient and effective control environment.
- Monitoring the implementation of controls with close exception reporting.
- Attract and retain talented people with the right skill set, experience and potentials.
- Train our staff with better skills to deliver quality performance.

2024 Progress

Utilisation slightly decreased by two percentage points to 92% from the 2023 figure of 94%. These rates are at the highest levels since 2014.

Growth trend on the average day rates across the fleet is maintained at 9% since 2023.

New contracts and extensions secured during the year totalled 23.8 years (2023: 8.4 years).

Future Priorities

Focus on local content requirements demanded by our clients across the Arabian Peninsula region to maximise the chances of securing new contracts.

Maintaining strong relationships with our core customers to win and secure contracts that add significantly to our backlog.

Renegotiate contractual terms, when existing contracts come to an end with the precursor to day rate improvement and longer-term contracts.

Continue to explore new opportunities for potential expansion.

Total Recordable Injury Rate (TRIR) further decreased to zero from already below industry average rate of 0.18 in 2023.

Suitable capital expenditure to maintaining the fleet to a level that ensures safe operations and meets client requirements.

The adjusted EBITDA has improved to US$ 100.4 million (2023: US$ 87.5 million), through the combination of improving the average day rates and cost control measures.

Ensure key safety KPIs are monitored frequently to allow safe and reliable operation of fleet.

Managing inflationary pressures through negotiating better terms with current key suppliers.

Focus on maximising cash generation with a continued emphasis on reducing our leverage.

The effective working capital management resulted to a reduction in the trade debtors to US$ 25.6 million (2023: US$ 30.6 million).

Reduced leverage levels from 3.05x at the end of 2023 to 2.0x at the end of 2024, through improved financial performance. Adjusted EBITDA increased to US$ 100.4 million in 2024 (from US$ 87.5 million in 2023), and net bank debt decreased significantly by US$ 66.1 million, falling from US$ 267.3 million in 2023 to US$ 201.2 million in 2024.

Refinancing of debt facility was completed before the end of 2024, extending the payment of term loan by five years up to December 2029 (originally scheduled to be paid by June 2025).

Closely monitor the ageing of receivables to ensure sufficient liquidity to meet our operational and banking requirements.

Make additional prepayments towards the bank loans to continue to deleverage, thus reducing the finance cost.

Distribute dividends to the shareholders, provided other plans permit and that loan covenants are fully met.

The Group has to comply with International Maritime Organisation (IMO) regulations and undertook Internal Audits Marine training in ISM, ISPS, and MLC to fulfil IMO compliance. As such, all offshore staff have continued to comply with the training requirements to fulfil our accreditation.

Internal auditors (Baker Tilly) performed audits of Procurement and Business Development functions during the year. The ARC Committee has reported to the Board the identified control weaknesses, that were assessed as not representing significant risks.

Maintaining an internal control environment to appropriately mitigate the operating risks inherent in the sector, whilst allowing the Group to achieve its strategic objectives and deliver value to shareholders.

Progress of the internal audit will be monitored, and necessary controls implemented, to ensure a robust control environment.

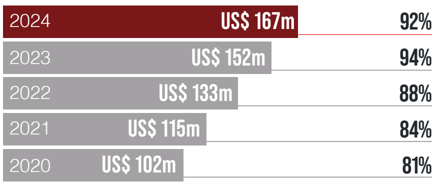
Key Performance Indicators (KPIs) are crucial for evaluating the Group's performance against our strategic objectives. These KPIs, encompassing both financial and operational measures, directly support the four pillars of our strategic framework. Refer to the Glossary for the definition of each Alternative Performance Measure (APM).

Key

- Revenue Growth
- Cost Optimisation
- Working Capital Efficiency
- People Placement and Controls

KPI	Description	2024 Performance

Revenue and utilisation



% – SESV utilisation Bars – Revenue

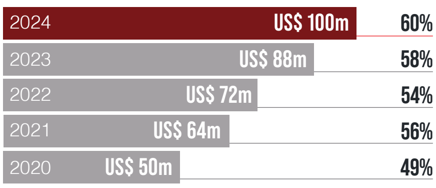
Revenue reflects the amounts earned from providing services to clients during the year. It is driven by charter day rates and utilisation levels.

Utilisation is the percentage of days that our fleet of SESV vessels are chartered on a day rate out of total calendar days.

The Group achieved a 10% revenue increase. This growth was driven by higher average day rates, which offset the impact of lower average fleet utilisation.

Average day rates across the fleet increased by 9% to US$ 33.1k (2023: US$ 30.3k), while average utilisation slightly decreased by two percentage points to 92% (2023: 94%).

Adjusted EBITDA and Adjusted EBITDA margin



% – Adjusted EBITDA Margin Bars – Adjusted EBITDA

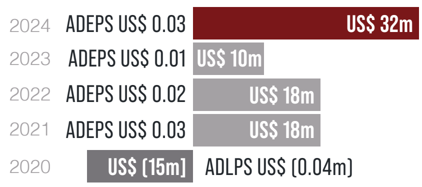
Adjusted EBITDA excludes exceptional items and fleet impairment adjustments. It is a key measure of the Group's underlying performance that management is more directly able to influence.

Adjusted EBITDA margin demonstrates the Group's ability to convert revenue into cash.

The growth in revenue translated into an improved Adjusted EBITDA of US$ 100.4 million. This is in line with our revised guidance of US$ 98 million to US$ 100 million.

The adjusted EBITDA margin has also increased to 60% (2023: 58%).

Adjusted profit and Adjusted DLPS/DEPS



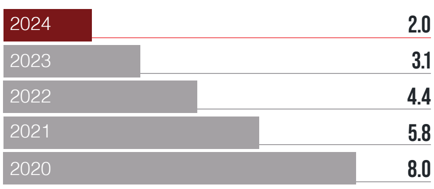
Numbers – Adjusted DLPS/DEPS
Bars – Adjusted profit/loss

Adjusted profit or loss measures the core net profitability of the business, after removing the impact of exceptional items and fleet impairment adjustments.

Adjusted DEPS or DLPS, means fully diluted earnings or loss per share, which measures the level of net profit/loss, including adjusting items, per ordinary share outstanding.

Adjusted profit was US$ 32.2 million (2023: US$ 9.8 million). The increase reflects higher revenue by US$ 15.9 million, lower finance expense by US$ 7.9 million and lower impact of changes in fair value of derivative by US$ 5.7 million.

Net bank debt to Adjusted EBITDA



Net debt to Adjusted EBITDA is the ratio of net debt at year end to earnings before interest, tax, depreciation and amortisation, excluding adjusting items (see Glossary for details), as reported under the terms of our bank facility agreement.

Maintaining this covenant below levels set out in the Group's bank facilities is necessary to prevent an Event of Default and avoid paying higher interest.

In December 2024, the Group completed the refinancing of US$ 300.0 million loan facility (US$ 250.0 million term loan amortised over five years and US$ 50.0 million working capital facility), denominated in United Arab Emirates Dirhams (AED).

As a result of our commitment to deleveraging, the net leverage ratio at 31 December 2024 was reduced to 2.0 times (2023: 3.05 times), driven by a reduction in the net debt to US$ 201.2 million (2023: US$ 267.3 million) coupled by improved EBITDA for the year.

KPI	Description	2024 Performance

Backlog

2024	US$ 570m
2023	US$ 459m
2022	US$ 342m
2021	US$ 179m
2020	US$ 199m

The backlog figures shown above are as at 1st April

Backlog shows the total order book of contracts (comprising firm and option periods) at the relevant date. This is a leading indicator of future revenue and utilisation levels.

Backlog increased during the year due to new contracts and extensions, despite some existing contracts being completed.

Average FTE retention (Onshore and Offshore)

2024	689	88%
2023	628	88%
2022	567	84%
2021	534	86%
2020	496	92%

% – Employee Retention   Bars – Average FTEs

Employee retention is calculated as the percentage of staff who continued their employment during the year, with retirements and redundancies excluded from the calculation.

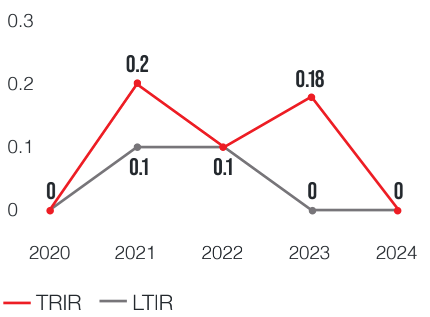
Average FTEs (Full Time Equivalent employees) throughout the year offers insight into the Group's capacity, operational scale, and manpower cost base.

The Group staff retention remains unchanged at 88% from the previous year.

Average onshore FTEs over the year have increased to 69 from 59 reported in 2023. While for offshore FTEs, the average number throughout the year increased from 569 in 2023 to 620.

The total Group headcount increased from 660 at 31 December 2023 to 727 at 31 December 2024, which was driven by increased utilisation of our vessels requiring an increase in recruitment of offshore FTEs and onshore support staff.

TRIR and LTIR



Total Recordable Injury Rate (TRIR) provides a measure of the frequency of recordable injuries per 200,000 man hours.

Lost Time Injury Rate (LTIR) is a measure of the frequency of injuries requiring employee absence from work for a period of one or more days per 200,000 man hours.

Offshore man hours are calculated based on a 12-hour working period per day.

The Group outperformed the industry average with LTIR of zero, both in 2024 and 2023.

TRIR further improved to zero from 0.18 in 2023.

Underlying G&A as percentage of revenue

2024	US$ 11m	7%
2023	US$ 11m	7%
2022	US$ 10m	8%
2021	US$ 10m	9%
2020	US$ 10m	10%

% – G&A to revenue
Bars – Underlying G&A

The underlying G&A to revenue expense ratio compares revenue to the amount of expenses incurred in onshore support operations.

The underlying G&A amounted to US$ 11.4 million, up from US$ 10.7 million in 2023. However, underlying G&A as percentage of revenue is maintained at 7% (2023: 7%).

Sustaining Growth and Building Value

	2024 US$m	2023 US$m	2022 US$m
Revenue	**167.5**	151.6	133.2
Gross profit	**89.6**	102.8	60.5
Adjusted EBITDA[1]	**100.4**	87.5	71.5
Net impairment reversal	**9.2**	33.4	7.8
Net profit for the year	**38.3**	42.1	25.4

Revenue and Segmental Profit/Loss

The Group's revenue has grown steadily since 2020. In 2024, the Group posted 10% increase in revenue, reaching US$ 167.5 million compared to the previous year's US$ 151.6 million. This growth was mainly due to increase in average days rates, partially offset by a slight decrease in fleet average utilisation.

Average utilisation slightly decreased by two percentage points to 92% from 94% in 2023, demonstrating strong operational efficiency. Notably, E-class vessel utilisation improved to 97% (2023: 91%), offsetting decreases in S-class at 91% (2023: 95%) and K-Class at 90% (2023: 96%).

Average day rates across the fleet increased by 9% to US$ 33.1k compared to the previous year's US$ 30.3k, with improvements across all vessel classes.

Qatar, the United Arab Emirates (UAE) and Saudi Arabia remain the largest market, representing 89% (2023: 91%) of total revenue. The remaining 11% (2023: 9%) of revenue is earned from the renewables market in Europe.

1 Refer to Glossary and Other Definitions. A reconciliation of this measure is provided in Note 29.

Cost of Sales, Reversal of Impairment and Administrative Expenses

Cost of sales as a percentage of revenue decreased by three percentage points to 51% compared to 54% reported in 2023.

As a result of continued improved market conditions and reduced cost of capital, net impairment reversal of US$ 9.2 million (2023: US$ 33.4 million) was recognised based on the impairment assessment to Group's fleet. Refer to Note 5 in the consolidated financial statements for further details.

Underlying general & administrative expenses[1] (which excludes depreciation, amortisation and other exceptional costs) as a percentage of revenue is down to 6.8% (2023: 7.1%). Reported general and administrative expenses amounted to US$ 17.0 million, up from US$14.6 million in 2023, driven by increased staff costs and other expenses.

Adjusted EBITDA

The growth in revenue translated into an improved Adjusted EBITDA[1] of US$ 100.4 million (2023: US$ 87.5 million). This is in line with our revised guidance of US$ 98 million to US$ 100 million. The adjusted EBITDA margin has also increased to 60% (2023: 58%). Adjusted EBITDA is considered an appropriate and comparable measure showing underlying performance, that management are able to influence. Please refer to Note 29 and Glossary for further details.

Finance Expense and Fair Value of Warrants

Finance expenses were 25% lower in 2024 (US$ 23.5 million down from US$ 31.4 million in 2023), driven by the lower level of gross debt, the cessation of 250 basis points (bps) PIK interest and a reduction of the margin rate by 90 bps when the Group's net leverage ratio dropped below 4:1 as of March 2023, and a further reduction in the margin by 10 bps when the net leverage ratio passed below 3:1 as of March 2024. An additional reduction in margin rate is expected due to the successful refinancing.

Further, the accounting driven impact of changes in fair value of the derivative (the warrants issued to the lenders) decreased to US$ 5.3 million (2023: US$ 11.1 million), due to lower number of outstanding warrants offset by an increase in share price of the Company. The Company expects the entire amount of liability on derivative financial instruments amounting to US$ 9.2 million will be reversed (either in equity or profit or loss) in 2025, when the warrants are either exercised or when they expire on 30 June 2025.

Earnings

The Group posted a net profit of US$ 38.3 million (2023: US$ 42.1 million). The decrease in net profit was mainly due to lower net reversal of impairments and higher tax expenses. Such impact was partially offset by higher revenue, lower finance expense and accounting impact of changes in fair value of derivatives as explained above.

Capital Expenditure

The Group's capital expenditure relating to drydocking and improvements of the vessels decreased to US$ 8.8 million (2023: US$ 11.3 million). GMS believes that the level of capital expenditure is suitable and directed to essential outlays.

Cash Flow and Liquidity

During the year, the Group delivered higher operating cash flows of US$ 103.6 million (2023: US$ 94.4 million). This increase is primarily from higher revenues generated during the year while improving the collections from clients and overall working capital management.

The net cash outflow from investing activities decreased to US$ 8.8 million (2023: US$ 12.8 million), mainly due to lower capital expenditure.

The Group's net cash outflow from financing activities was US$ 63.5 million (2023: US$ 85.2 million), mainly comprising of net repayments to the banks and certain transaction costs related to refinancing amounting to US$ 39.9 million (2023: US$ 54.2 million) and interest payment of US$ 21.6 million (2023: US$ 27.4 million). At 31 December 2024, the Group has cash and cash equivalents of US$ 40.0 million, which was utilised subsequent to reporting period to fund the total prepayment of US$ 40.3 million towards the new term loan. Cash inflow from financing activities relates to the net funds received on issuance of share capital amounting to US$ 3.8 million due to warrants being exercised.

The Group concluded the refinancing of US$ 300.0 million loan facility (US$ 250.0 million term loan amortised over five years and US$ 50.0 million working capital facility), denominated in United Arab Emirates Dirhams (AED).

Balance Sheet

Total non-current assets at 31 December 2024 decreased to US$ 608.3 million (2023: US$ 621.0 million), mainly due to depreciation charge of US$ 31.5 million (2023: US$ 31.3 million). The decrease is partially offset by the capital expenditure of US$ 8.8 million (2023: US$ 11.3 million) representing cost of planned equipment upgrades and dry-docking of vessels, as well as the net impairment reversal of US$ 9.2 million (2023: US$ 33.4 million) on some of the Group's vessels.

Total current assets increased to US$ 74.8 million (2023: US$ 47.4 million) as a result of higher cash and cash equivalents of US$ 40.0 million (2023: US$ 8.7 million) and prepayments, advances and other receivables amount in advances and other receivables amounting to US$ 9.2 million (2023: US$ 8.1 million).

The Group was able to prepay US$ 40.3 million towards the new term loan subsequent to the reporting period. Further, total trade receivables decreased to US$ 25.6 million (2023: US$ 30.6 million) due to improved collections and additional charge of expected credit losses to client which entered administration during 2023.

Total liabilities decreased by US$ 37.6 million to US$ 300.4 million (US$ 338.1 million), mainly due to reduction in bank borrowings amounting to US$ 39.9 million, and the decrease in the derivative financial instruments by US$ 5.1 million as a result of partial exercise by the warrants holder offset by the increase in the fair value of the remaining warrants. This was offset by the higher income tax payable, trade and other payables and lease liabilities by US$ 7.1 million.

The Group is in a net current liability position as of 31 December 2024, amounting to US$ 25.7 million (2023: US$ 52.1 million). Management closely monitors the Group's liquidity position including focus on the forecasted short-term cash flows. This is to ensure that there would be sufficient liquidity to meet the Group's current liabilities, in particular, the current portion of the bank borrowings which represents the principal repayments due over the next 12 months. Loan prepayments are being made after ensuring that forecasted cash inflows are sufficient to meet the Group's short-term obligations.

The increase in equity mainly reflects the net profit achieved during the year. Further, share capital and share premium increased by a total of US$ 14.2 million due to issuance of shares and release of warrants liability as they are being exercised.

Net Bank Debt and Borrowings

At the end of December 2024, the Group completed the refinancing of US$ 300.0 million loan facility (US$ 250.0 million term loan amortised over five years and US$ 50.0 million working capital facility), denominated in United Arab Emirates Dirhams (AED). The working capital facility expires alongside the main debt facility in December 2029. The refinancing was secured at a more favourable interest margin as compared to the previous debt facility.

Net bank debt[1] reduced to US$ 201.2 million (2023: US$ 267.3 million). This was a result of the management's commitment to continue its deleveraging journey.

Going Concern

The Group has a reasonable expectation of its ability to continue as going concern for the foreseeable future. With four consecutive years of reported profit and a forecast of continued positive operating cash flows, particularly in light of the market outlook, the Group remains well-positioned for sustained success.

The Group's forecast indicates that its refinanced debt facility, combined with high utilisation at higher day rates and pipeline, will provide sufficient liquidity for its requirements for at least the next 12 months and accordingly, the consolidated financial statements for the Group have been prepared on the Going Concern basis. For further details please refer the Going Concern disclosure in Note 3 of the consolidated financial statements.

Related Party Transactions

During the year, there were related party transactions for overhauling services of US$ 0.4 million (2023: US$ 2.4 million), catering services of US$ 0.1 million (2023: US$ 0.6 million), and laboratory services of US$ 15k (2023: US$ 18k) with affiliates of MZI Holding Limited, the Group's largest shareholder (24.46%).

All related party transactions disclosed herein have been conducted at arm's length and entered into after a competitive bidding process. This process ensures that the terms and conditions of such transactions are fair, reasonable, and comparable to those that would be available in similar transactions with unrelated third parties.

Further details can be found in the Directors Report on page 85 and Note 23 of the consolidated financial statements.

Adjusting Items

The Group presents adjusted results, in addition to the statutory results, as the Directors consider that they provide a useful indication of performance. A reconciliation between the adjusted non-GAAP and statutory results is provided in Note 29 of the consolidated financial statements with further information provided in the Glossary.

Alex Aclimandos

Chief Financial Officer
8 April 2025


GMS ENDEAVOUR E102

How we assess our prospects

In line with Provision 31 of the 2018 UK Corporate Governance Code, the Directors have carried out a comprehensive review of the Group's prospects. This process involves regular evaluations of the key risks that could impact the Group's future performance, financial position, cash flows, liquidity, and debt facilities. These assessments rely on established risk management procedures and involve analysing the Group's exposure to significant risks and uncertainties.

The Group's customers are principally involved in the exploration for and production of oil and gas and installation of wind farms. The Directors closely monitors its customers' operational plans and related capital expenditure programmes, particularly in the short term in which projects will be in progress and for which requirements for services from the Group will be more certain.

Viability assessment time horizon

The Group operates in dynamic sector, where agility is key to navigating the changing macroeconomic landscape and changing demand and supply. Hence, the Directors have concluded that a three-year timeframe is an appropriate period for the viability assessment, as this is the period over which the Directors can realistically set the strategic plan for the Group. The period was also selected with reference to the current backlog and business development pipeline, both of which offer limited visibility beyond this point.

Taking these factors into consideration, the Directors believe that a three-year forward-looking period, commencing on the date the annual accounts are approved by the Directors, is the appropriate length of time to reasonably assess the Group's viability.

Consideration of principal risks

The Group's operations involve a range of risks. The Directors conduct regular reviews of the key risks affecting the business and evaluate the controls and measures in place to mitigate them. They also consider the potential implications for the Group's viability. A detailed explanation of the risk assessment process, principal risks, and the management strategies can be found on pages 24 to 30 of this Annual Report.

In December 2024, the Group completed the refinancing of US$ 300.0 million loan facility (US$ 250.0 million term loan amortised over five years and US$ 50.0 million working capital facility), denominated in United Arab Emirates Dirhams (AED).

The working capital facility includes a cash commitment of US$ 20.0 million (31 December 2023: US$ 20.0 million), but if no cash is drawn, the full facility remains available for performance bonds and guarantees. The working capital facility expires alongside the main debt facility in December 2029.

The refinancing was secured at a more favourable interest margin. This will lower the financing costs and provide the Group with increased flexibility in capital allocation.

Sensitivity analysis

The Directors' assessment included a review of the potential financial impact and the financial headroom that could be available in the event of the most severe scenarios that could threaten the viability of the Group. The assessment took into consideration the financial position of the Group and the potential mitigations that management reasonably believes would be available to the Group over this period.

To assess the Group's viability, the Directors have performed analysis considering the following scenario:

- no work-to-win in 2025 and 2026;
- reduction in utilisation by eight, thirty-four and seventeen percentage points for 2025, 2026 and 2027 respectively; and
- interest rate on EIBOR to remain at current levels.

Based on the above scenario, the Group would not be in breach of its current term loan facility. The downside case is considered to be severe but would still leave the Group in compliance with the covenants under the Group's banking facility until its maturity.

In addition to the above downside sensitivity, the Directors have also conducted a reverse stress test, wherein EBITDA has been significantly reduced to the extent of breaching the debt covenant. This scenario assumes a notable increase in operational downtime to 19% for 18 months from the reporting date, which is in addition to the sensitivities applied in the downside case above. The substantial increase in operational downtime would lead to a breach of the Debt Service Cover ratio.

With the successful refinancing, strong recent performance of the Group, improved market conditions, and increasing demand for GMS vessels, the probability of the previously mentioned breach scenario is minimal.

However, should circumstances differ from the Group's projections, the Directors are confident that several effective mitigating actions can be taken within the required timeframe to secure debt repayment and sustain liquidity.

One potential action is to cold stack vessels that are off hire for extended periods, which would help minimise operating costs and has already been considered in the downside scenario. Additional strategies may include reducing overhead costs, seeking relaxations or waivers from covenant compliance, and negotiating repayment rescheduling with lenders.

Management is also aware of the broader operating context and recognises the potential impact of climate change on the Group's financial statements. Nonetheless, it is expected that climate change will have limited effect during the assessment period.

Conclusion

The Directors have a reasonable expectation that the Group can sustain operations and fulfil its obligations throughout the assessment period, despite the principal risks and uncertainties outlined on pages 25 to 29, which may impact future performance. This conclusion is primarily based on management's strategic focus on deleveraging its bank obligations which continues to remain a key priority. After thorough enquiries and assessments of progress against forecasts, projections, and the status of mitigating actions, the Board is confident that the Group can continue to operate and meet its commitments as they arise, supporting this viability statement through the viability period ending June 2028.

Effective identification, management and mitigation of business risks

In today's dynamic environment, managing risk isn't just about avoiding problems – it's also about seizing opportunities. Our comprehensive risk management system, as outlined below, provides the critical foundation for identifying, analysing, and mitigating risks, while also enabling us to strategically pursue growth opportunities and achieve our strategic objectives.

Our risk management framework provides a comprehensive and integrated approach to managing business risks. Encompassing policies, culture, organisation, behaviours, processes, and systems, the framework ensures effective operations through systematic risk management and clear reporting lines that support continuous improvement of internal controls.

The Board leads GMS' risk management, setting the culture and ensuring effective oversight. ESG considerations are integrated into their regular risk assessments.

The Audit and Risk Committee, responsible for reviewing the Group's internal control system including risk management practices, has confirmed its effectiveness for daily operations. The Committee also oversees financial controls and reporting, ensuring timely identification and resolution of significant accounting judgements and estimates. Having reviewed prior year control deficiencies, the Committee is satisfied with management's improvements and identified no significant weaknesses during the year.

A comprehensive enterprise risk assessment process is in place, starting with quarterly risk reviews conducted by each department. This process systematically identifies the Group's principal risks, analyses their likelihood and financial impact, and rigorously evaluates the strength of our mitigating controls. The Executive team consolidates these findings into a comprehensive risk heatmap, incorporating emerging risks. The Audit and Risk Committee reviews this profile at least quarterly, with a formal annual review by the Board (see page 64 for details of the Board's actions as part of their review), ensuring continuous monitoring of our risk landscape.

Risk Framework

Board of Directors

The Board has overall responsibility for providing strategic direction and effective oversight for risk management.

Audit and Risk Committee

Responsibilities include identifying and assessing the Group's internal control and risk management systems as well as monitoring the effectiveness of the Group's internal audit function.

Senior Management

The Executive team implements and integrates with business operations the risk management.

Internal Audit

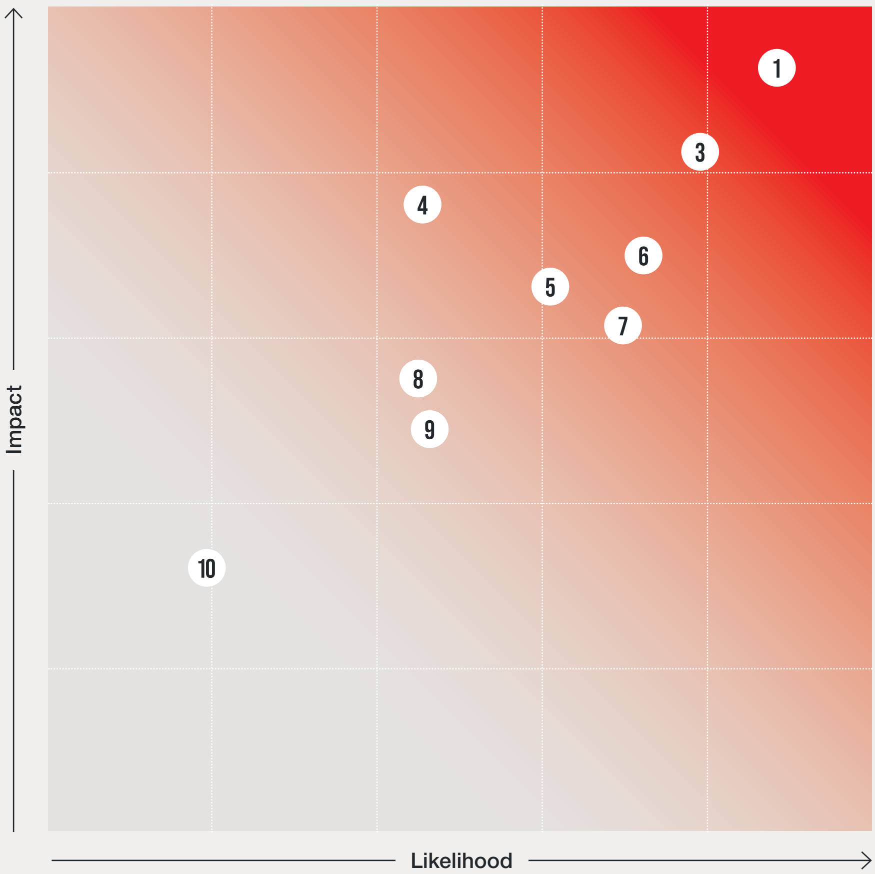
There are clear reporting lines from the internal audit function to the Board, Audit and Risk Committee and the Executive team.

Principal Risks and Uncertainties

Uncertainty inherent in offshore vessel operations presents ongoing business risks. Factors such as weather, sea state, and navigational hazards, many of which are beyond our control, can significantly impact future results.

While we leverage advanced technology and highly experienced crews, these inherent uncertainties remain. Our commitment to strict safety regulations aims to mitigate these risks, but they cannot be entirely eliminated. Therefore, adaptability and proactive planning are crucial, as changing circumstances can influence both operational outcomes and investment value. The following section outlines the principal risks (list is not exhaustive) facing the Group over the next five years, along with our corresponding mitigation strategies.

Risk Heat Map



Key

1 Utilisation
2 Inability to secure appropriate capital structure (removed in 2024)
3 Arabian Peninsula region local content requirements
4 Inability to deliver safe and reliable operations
5 Liquidity and covenant compliance
6 People
7 Legal, economic and political conditions
8 Compliance and regulation
9 Cyber-crime – security and integrity
10 Climate change

1 Utilisation

Risk	Mitigating Factors and Actions
Utilisation levels may be reduced by the following underlying causes: • Business continues to be dependent on few major customers. • Cyclical nature of industry suggests that current period of robust demand may give way to decline, potentially exerting downward pressure on charter rates and utilisation. • More tonnage is anticipated to be available in the market during 2025 to 2026. • Risk of obsolescence of our K-Class vessels due to large number of new builds currently under construction. • Increased standard specifications required by customers may result in GMS having to upgrade its fleet to remain compliant.	**Strengthening Client Engagement** The Group maintains strong client relationships through consistent communication and a demonstrated history of delivering secure and reliable services. GMS has formulated strategies for fleet upgrades aligned with anticipated client needs in the future. These initiatives make GMS stand out from its competition and encourage customers to commit to longer-term contracts involving a greater utilisation of vessels through incentivisation. **Diversification Strategies Across Business Segments and Geographies** Actively monitoring the local competition and target new jurisdictions, clients and offerings. We recently announced a new contract award for our second vessel in Europe. **Customisation Capabilities for Client Needs** The Group can modify or upgrade assets 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. **Improve on financial flexibility** GMS continues its deleveraging efforts.

2 Inability to Secure an Appropriate Capital Structure – Removed during 2024

3 Arabian Peninsula region local content requirements

Risk	Mitigating Factors and Actions
National Oil Companies (NOCs) in the Arabian Peninsula region require bidders to submit specific local content targets, which vary by country, as a condition of their tender processes. These requirements prioritise suppliers committed to increasing local sourcing, spending, and investment. Failure to meet these local content requirements could prevent GMS from securing new contracts or may lead us to accept reduced profit margins on existing contracts, ultimately impacting our operating cash flow and net profitability.	**Adherence to Local Content Regulations** GMS views local content as a catalyst for value creation, not merely a regulatory requirement. Our experience with NOCs throughout the Arabian Peninsula informs our commitment to maximising in-country impact. By maintaining a robust local footprint and cultivating strategic local partnerships, we ensure operational excellence and improve ICV scores. This strategic advantage unlocks exclusive opportunities, strengthening our position as a partner of choice in the region. We continue to explore opportunities to further improve our ICV scores in the respective operating jurisdictions.

Key
- Revenue Growth
- Cost Optimisation
- Working Capital Efficiency
- People Placement and Controls

4 Inability to deliver safe and reliable operations

Risk	Mitigating Factors and Actions
Geo-political events can jeopardise the safe operation of vessels due to restricted crew travel in certain countries and may further impact the Group's assets. A serious environmental or safety incident involving our employees, visitors, or contractors could severely impact both our commercial interests and our reputation. Inadequate preparation for critical situations, including sudden equipment failure, the inability to meet client requirements and unpredictable weather events, could negatively impact the business. Insufficient insurance coverage may lead to significant financial loss.	**Safety Commitment and Operational Reliability** We are committed to the highest standards of safety and operational reliability. This commitment is underpinned by our robust HSEQ management system and a deeply ingrained safety culture. Management reinforces this commitment with rigorous safety practices and procedures. Management continues to review and improve the current management systems and monitors the performance of HSEQ. **Training and Compliance** Our employees undergo rigorous and continuous training on operational best practices. **Scheduled Maintenance** The Group adheres to regular maintenance schedules on its vessels to ensure compliance with the highest safety standard. **Business Continuity Plan** 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. Adequate insurance coverages are in place to critical assets and business operations to protect GMS against unforeseen events, mitigating potential financial losses and ensuring business continuity in the face of damage, theft or destruction.

5 Liquidity and covenant compliance

Risk	Mitigating Factors and Actions
GMS is exposed to short-term liquidity management risks due to mismatch between cash inflows and outflows, delinquency or slow-paying clients and unexpected expenses. All bank 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. Breach of covenant will trigger an event of default that would give lenders the right to accelerate loan repayments and ultimately exercise security over the Group’s assets.	**Liquidity Management** The Group demonstrates financial discipline in its liquidity management by prioritising the timely collection of customer receivables and securing payment terms with strategic suppliers. The level of capital expenditure is suitable and directed to essential outlays, safeguarding the operational integrity and reliability of the vessel fleet. **Covenant Compliance** The Board and Senior Management proactively monitor covenant compliance, regularly reviewing the latest forecasts and implementing measures to prevent potential breaches. The Group monitors its various covenants throughout the term of the loan. **Focus on Deleveraging** Management remains committed to early repayments of bank loan to reduce interest expenses, improve our leverage position and ensure compliance with our loan covenant.

6 People

Risk	Mitigating Factors and Actions
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** Management prioritises open communication and all non-executive Directors have met and engaged with staff. To celebrate our collective achievements in 2024, we held an end-of-year event where long-serving employees were recognised for their 10, 15, and 20 years of dedication. As we grow and our experienced leaders transition, we are committed to developing the next generation of leaders who will carry our mission forward. **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. GMS has implemented certain adjustments in the compensation of offshore personnel to be more competitive in the market. **Equal Opportunities** GMS maintains fair and transparent recruitment practices, with zero-tolerance for discrimination and a commitment to equal opportunities for all employees. We further invest in our people through various trainings and development programs, internal promotions, and a strong focus on talent growth. **Resource Planning** The Group has identified all critical roles and implemented processes to ensure seamless transitions in the event of personnel changes. To address immediate needs, the Group has also utilised recruitment specialists fill key positions.

7 Legal, Economic and Political Conditions

Risk	Mitigating Factors and Actions
Political instability in the regions in which GMS operates may adversely impact 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. High interest rate and inflation will have an impact on the Group's liquidity and profitability.	**Emergency Response Planning and Insurance** For all our major assets and areas of operation, the Group maintains emergency preparedness plans. Our insurance coverage over the Group's assets is regularly reviewed to ensure adequate protection. **Workforce Management** We are actively working to increase workforce diversity through workforce planning and demographic analysis. To support this effort, we have partnered with multiple recruitment agencies to broaden our sourcing and diversify crew composition across various geographies. **Monitoring Interest Rates and Inflation** Management is continually monitoring the liquidity position from changes in interest rate and a focus on cost reduction. The key aim of the Group is to deleverage through early repayments, which will reduce the impact of high interest environment. Under the new debt facility, GMS has to hedge part of the risk against unfavourable movements in interest rate.

Key

- Revenue Growth
- Cost Optimisation
- Working Capital Efficiency
- People Placement and Controls

8 Compliance and Regulation

Risk	Mitigating Factors and Actions
Failure to comply with anti-bribery and corruption regulations could damage stakeholder relationships and result in significant reputational and financial harm. GMS is operating in various jurisdictions, so it is governed by a complex web of international conventions, as well as federal and local laws, regulations, and guidelines related to health, safety, and environmental protection. Compliance with these increasingly stringent requirements is becoming more costly and complex. Failure to identify and adhere to all applicable laws and regulations across various jurisdictions could result in regulatory investigations. Failure to provide timely and accurate financial reports and information to the market, as required by regulators, or to comply with tax regulations (including transfer pricing requirements) in the countries where GMS operates, could result in significant administrative and financial penalties 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 in evaluating internal controls, ensuring compliance with relevant laws, regulations and internal policies, and offer recommendations for improving risk mitigation. **Engagement of Tax Consultants** The Group has engaged tax consultants in its operating geographies. **Qualified Resources** GMS has a dedicated team of qualified professionals managing the financial and regulatory submissions and ensuring compliance.

9 Cyber-crime – Security and Integrity

Risk	Mitigating Factors and Actions
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.

10 Climate Change

Risk	Mitigating Factors and Actions
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 changing client preferences leading to reduced demand for our services. New legislation could require us to increase reporting and possibly substitute our products and vessels for greener alternatives. Physical risks include rising temperatures, which could further impact working hours, and rising sea levels, which could affect where our vessels can operate. The physical risks also interact with Principal Risk 4 – Our ability to deliver safe and reliable operations.	**Legal & Policy Monitoring** The Group carefully monitors legislative developments to ensure compliance with all relevant laws both in the UK and the Arabian Peninsula. The TCFD disclosure in this report explains our assessment and response to climate-related risks to be transparent with our stakeholders. **Physical Infrastructure** 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. **Environmental Impact** 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. **Long-term Planning** 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. We are conscious that we may need to consider changing sea levels and environmental legislation when replacing vessels that are being retired in the long term.

Emerging Risks

GMS operates an emerging risk framework as a tool for horizon scanning, with developments reported to the Audit and Risk Committee on a routine basis. Emerging risks are defined as a systemic issue or business practice that has either not previously been identified, has been identified but dormant for an extended period of time (five years); or has yet to arise to an area of significant concern. There is typically a high degree of uncertainty around the likelihood of occurrence, severity and/or timescales. Emerging risks are identified and/or monitored through internal debate by management and the Audit and Risk Committee, as well as discussions with key stakeholders (see the Group's S172 statement), industry-specific journals, and reviews of reporting published by peer companies.

Examples of emerging risks include unexpected changes in the demand for oil, technological advancements, monitoring of suppliers' performance, potential trade war among certain major economies, changes to tax landscape in regions GMS operates in and potential client insolvencies.

TFCD

Executive Statement

Climate change remains a principal risk for GMS, driving us to plan and take decisive action. We understand the scale of challenge and the necessity of resilient, climate-adapted operations. In 2022, we established ambitious net-zero targets and a robust plan to achieve them. Since 2023, our focus has been on tangible environmental impact reduction and advancing our sustainability agenda. The COP28 outcomes and subsequent UAE regulations reinforce our commitment and provide a platform to further align with regional and global goals. Our 2024 results demonstrate the impact of the strategies we've implemented since 2019, showing the effectiveness in limiting our contribution to climate change and underscoring our dedication to long-term sustainability for all stakeholders.

Mansour Al Alami
Executive Chairman

TCFD Compliance Statement

GMS has complied with the requirements of Listing Rule (LR) 6.6.6R(8) by including climate-related financial disclosures consistent with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and recommended disclosures. The current regulations require reporting on a 'comply or explain' basis. Consistent with last year, we have complied with all eleven of the recommendations in 2024. The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 require publicly quoted and large private companies to integrate climate disclosures into their annual reports. We have complied with the eight reporting disclosure requirements of Climate-related Financial Disclosure (previously BEIS), details of which can be found on page 33.

Table 1. GMS compliance statement.

TCFD Recommendation	Climate-related Financial Disclosures	Compliance
Governance		
a) Describe the Board's oversight of climate-related risks and opportunities.	(c) A description of the governance arrangements of the Company in relation to assessing and managing climate-related risks and opportunities.	Compliant
b) Describe management's role in assessing and managing climate-related risks and opportunities.		Compliant
Strategy		
a) Describe the climate-related risks and opportunities the Company has identified over the short, medium and long term.	(d) A description of: (i) The principal climate-related risks and opportunities arising in connection with the operations of the Company and, (ii) The time periods by reference to which those risks and opportunities are assessed.	Compliant
b) Describe the impact of climate-related risks and opportunities on the Company's businesses, strategy and financial planning.	(e) A description of the actual and potential impacts of the principal climate-related risks and opportunities on the business model and strategy of the Company.	Compliant
c) Describe the resilience of the Company's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	(f) An analysis of the resilience of the business model and strategy of the Company, taking into consideration different climate-related scenarios.	Compliant
Risk Management		
a) Describe the Company's processes for identifying and assessing climate-related risks.	(d) A description of how the Company identifies, assesses and manages climate-related risks and opportunities.	Compliant
b) Describe the Company's processes for managing climate-related risks.		Compliant
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the Company's overall risk management.	(e) A description of how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management process in the Company.	Compliant
Metrics and Targets		
a) Disclose the metrics used by the Company to assess climate-related risks and opportunities in line with the strategy and risk management process.	(d) The key performance indicators used to assess progress against targets used to manage climate-related risks and realise climate-related opportunities and a description of the calculations on which those key performance indicators are based.	Compliant
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 Greenhouse Gas (GHG) emissions and related risks.		Compliant
c) Describe the targets used to manage climate-related risks and opportunities and performance against targets.	(e) A description of the targets used by the Company to manage climate-related risks and to realise climate-related opportunities and performance against those targets.	Compliant

About the TCFD

As a business supporting offshore operations, we understand our environmental impact and the potential risks climate change presents. We are committed to a sustainable future and continuously seek ways to minimise our footprint. Since 2021, we have calculated our Scope 3 value chain emissions. Using 2021 as a baseline, we established an ambitious net-zero target of 2050 in 2022, along with interim targets to track our progress. Since 2023, we are making progress against these targets, which are outlined in the Metrics and Targets section of this report.

Governance

Overview

Effective risk and opportunity management is crucial for achieving the Group's strategic objectives. Our risk management system, detailed in the general Risk Management section, supports the identification, analysis, evaluation, mitigation, and continuous monitoring of risks. The Board, supported by the Audit and Risk Committee, has overall responsibility for risk management. Senior Management implements the process, including risk identification, management, and mitigation, with oversight from internal audit. Climate change considerations are integrated into every stage of this process. Furthermore, a dedicated climate risk register, providing a detailed breakdown of related risks, is maintained and regularly updated, which feeds into the understanding of the principal risk.

We follow the TCFD recommendations to assess and report on climate-related risks. This year, we completed our fourth climate scenario analysis. We presented the results at our climate risk workshop, where we discussed recent changes and developments and their potential impact on risk levels.

Currently, we assess climate-related risks as having a low likelihood and low impact on our Group in the short term. We do not believe that climate change will significantly impact demand for our vessels, primarily due to forecasted demand for oil and gas production in our core market of the Arabian Peninsula region will continue. We are actively pursuing growth in the offshore renewables market, building on our current support of a European project with one vessel and the upcoming deployment of another. While we develop this promising area, our business currently focused on traditional energy. However, we are prepared to shift more of our fleet to offshore renewables should the demand for oil and gas change. This transition can be accomplished without significant capital expenditure.

The Board's Oversight

The Board has overall responsibility for ensuring that risks are effectively managed, including the oversight of climate-related risks. While climate change is not a regular standing agenda item at Board meetings during the year, it is integrated into GMS' regular risk assessment procedures as a principal risk, ensuring ongoing Board monitoring and oversight of related goals and targets.

The Board addresses climate change-related issues several times throughout the year, including a formal annual review of the Group's risk profile.

In November 2024, the Board Chair along with Senior Management, participated in a climate risk workshop facilitated by an external sustainability consultant. This session focused on climate change risks and opportunities, enabling adjustments to the risk assessment and enhancing internal climate-related expertise.

The Board receives quarterly reports from the Head of Health, Safety, Environment & Quality (HSEQ). In November 2024, the Head of HSEQ provided the Board with an update on the Group's environmental strategy, including options for improving the sustainability of existing and future vessels. The Head of HSEQ also presents progress on climate-related targets annually, typically in the first meeting following data availability. These regular updates, combined with the annual climate risk workshop, equip the Board with the necessary information to integrate climate-related considerations into business planning and strategy, particularly regarding vessel improvements and replacements.

Board Committees

Audit and Risk Committee

The Audit and Risk Committee, composed of three non-executive directors (one serving as Chair), meets at least three times annually, typically during the financial reporting and audit cycle. They also communicate with key individuals in the Group's governance throughout the year as needed, including the CEO, the lead external audit partner, and the Internal Audit Partner.

The Committee assists the Board in financial reporting and auditing processes. Since climate change is a principal risk for the business, the Committee's responsibilities include considering climate-related issues. They are specifically tasked with reviewing the effectiveness of the Group's internal controls.

Remuneration Committee

The Remuneration Committee ensures that the Company's compensation policies align with GMS' long-term strategy, purpose, and values. When determining Executive Director remuneration, the Committee makes sure that incentives for Senior Management do not inadvertently encourage irresponsible behaviour that could raise ESG risks. Currently, however, Board remuneration is not tied to achieving our climate strategy or targets.

The Head of HSEQ's compensation is linked to ESG performance, as this role is responsible for monitoring the Group's progress toward its carbon reduction targets and net-zero strategy.

Senior Management's Role

The Senior Management team, consisting of the Chief Financial Officer, Chief Commercial Officer, Head of HSEQ, Director of Operations, and Chief Shared Services Officer, is responsible for identifying, assessing, managing, and mitigating risks and evaluating opportunities, including those related to climate change and the transition to a low-carbon economy. They report to the Board and the Audit and Risk Committee twice a year.

Senior Management actively participates in discussions and assessments of climate-related risks. The external sustainability consultant who supported in arranging climate risk workshop has been working with the Senior Management for the past three years, guiding on GMS' climate related risks and opportunities, climate scenario analysis and Group's overall climate agenda.

Further information on the reporting structure and the responsibilities of the Board, Committees and Senior Management can be found in the main Governance section of this Annual Report.

Strategy

GMS is committed to long-term sustainability and success, which requires us to address all relevant risks and adapt our business strategy as needed. Recognising the increasing visibility and importance of climate change risks to our stakeholders, we have enhanced our climate risk assessment process. We maintain a separate climate risk register, which provides details on the nineteen associated climate-related risks, aligned with the TCFD recommendations.

Climate Scenario Analysis

We conduct an annual climate scenario analysis to fully understand the physical and transitional risks of climate change. Physical risks cover the physical impacts of climate change, like rising average temperatures and sea levels. Transition risks stem from the shift to a lower carbon economy, and include things like increased regulations, the adoption of lower emissions technology, and evolving consumer preferences.

Our climate scenario analysis uses possible representative futures to model these potential impacts, as well as the necessary changes governments and businesses will need to make to limit global warming and reach net zero. In 2024, we again performed this analysis on our key sites and operations.

The Scenarios

Three warming pathways were modelled using data from several established models, including CORDEX (Coordinated Regional Climate Downscaling Experiment), CLIMADA (Community-driven Climate Adaptation) and IAMs (Integrated Assessment Models). The pathways represent a broad range of potential futures to ensure that all risks are considered.

The climate scenarios used in the risk assessment process make projections on hypothetical futures and come with a degree of uncertainty. While most of the information is obtained from existing climate models – which have a high degree of accuracy – there is still an inherent level of uncertainty.

The results of the analysis should, therefore, only be used as a guide for climate-related risks and opportunities facing GMS. Ten climate indicators were modelled for each site and scenario, including precipitation, aridity, temperature and water stress. Outlined below are the three warming pathways.

<2°C by 2100: Aligned with the Paris Agreement target of a maximum of 1.5°C of warming above pre-industrial levels. This scenario requires a coordinated effort across both government and business to rapidly reduce carbon emissions through policy and operational changes – leading to high levels of transitional risk but limited physical risks.

2-3°C by 2100: This scenario is envisaged as the outcome of reactive rather than proactive action from governments, with policies being introduced on an ad hoc basis, with only the most committed businesses taking serious action. This scenario is associated with the highest level of transitional risks due to the uncoordinated approach, along with some physical risks.

>3°C by 2100: This scenario will occur if limited action is taken over the next few decades. Although this limits transitional risks, particularly in the short and medium term, it has the highest degree of physical risk due to the increased global temperature rise. Under this scenario, climate tipping points are projected to be breached, leading to irreversible damage to our planet.

The Time Horizons

Climate change impact extends beyond our traditional horizons of business planning. With the UK and UAE both targeting net-zero by 2050, and climate models often focusing on temperature changes by 2100, we have decided to use the following time horizons for assessing our climate-related risks and opportunities. This approach aligns with our own net-zero strategy.

Table 2: Time horizons used for our climate scenario analysis.

Short term:	Medium term:	Long term:
2024-2028	2029-2038	2039-2053
Covers our short-term business planning.	Covers our long-term planning for vessel replacement. Also covers our interim net-zero targets (see Table 8 below).	Covers our long-term net-zero targets.

Table 3: Risk Rating Criteria

Likelihood Factor	Rating	Impact Factor	Rating	Control Effectiveness	Rating
Almost Certain	5	Major	5	Very Good	5
Likely	4	Significant	4	Good	4
Possible	3	Moderate	3	Satisfactory	3
Unlikely	2	Minor	2	Weak	2
Rare	1	Insignificant	1	Unsatisfactory	1
Inherent risks					
Green – Inherent risk is equal to or lower than 9, regardless of the control rating.					
Amber – Inherent risk is greater than 9, but Controls are either 4 or above. Qualifies as material.					
Red – Inherent risk is greater than 9, and Controls are 3 or below. Qualifies as material.					

Horizon Scanning

We are aware that during 2024, Regulation (EU) 2015/757 has been amended to introduce new rules for monitoring greenhouse gas emissions from offshore ships and the zero-rating of sustainable fuels. It will come into effect from 1 January 2025, for vessels with a gross tonnage (GT) between 400 and 5,000, expanding to cover larger vessels in 2027. We are preparing for its effect to the vessels such as GMS Endeavour and later GMS Enterprise, although it is currently unclear whether jack-up barges are covered by the regulation. However, GMS is being proactive in responding to this and has already demonstrated a commitment to sustainability by monitoring and reporting CO_2 emissions in its annual report. Therefore, we are well-prepared to provide the figures and reports this regulation will require.

Further, the UAE issued Federal Decree-law No. (11) in August 2024, covering plans for the reduction of climate change impact, effective from May 2025. Due to our existing carbon reporting and net-zero targets, GMS is well-prepared for the potential requirements of this law.

The Results

We assess the physical risks to GMS' operations and vessels as currently low. The infrastructure we own and use have been designed for the extreme climate conditions where we primarily operate. For example, our office buildings in the Arabian Peninsula region are already exposed to extended periods of temperatures exceeding 40°C. Therefore, the region's infrastructure design and our working schedules consider these extreme weather conditions. Regarding transition risks, our fleet's flexibility and demonstrated capability to support offshore renewables position us well for any future energy scenario. Overall, we believe our business model and strategy are resilient across all potential future scenarios.

Our risk management process classifies risks with an overall rating of Red, Amber or Green based on a combination of the inherent risk and the control rating. Across all timelines and scenarios, no red ratings were assigned to climate-related transition risks. The number of risks rated significant increases over time, with Tables 4-7 presenting the scenario and timeline in which a significant rating is assigned. All physical risks were assigned a green risk rating.

The steps we have taken to identify and manage each climate-related issue have been based on our existing risk management framework to ensure a consistent and efficient assessment and categorisation.

Each climate-related issue is classified using our rating system. Our process ranks risks initially by their likelihood, then, each issue is ranked according to its impacts on GMS. An inherent risk score is calculated based on the multiplication of likelihood and impact, and then control effectiveness is factored in, as per Table 3. Risks with an overall score greater than 9 are deemed as material.

The findings of the updated climate scenario analysis were presented to Senior Management and the Board in November 2024.

It included a discussion of how the risks were impacted by changes at GMS within the broader macroeconomic landscape and by updates to the underlying datasets. Each risk was discussed to determine whether the impact and likelihood ratings required adjustment. It was decided that no updates were needed to the 2023 ratings as there had been no material changes. As it becomes clearer what is required from Federal Decree-law No. (11) and whether our EU-based vessels are subject to Regulation (EU) 2015/757, we will adjust our ratings accordingly, but for now, GMS is well-prepared for these changes.

Transition Risks – Policy & Legal

Table 4. Policy & Legal risks with a description, the timeline and scenario where the risk is first rated Amber and our response.

Risk	Description	Risk Assessment	Our Response
Enhanced emissions reporting obligations	As a premium listed company on the London Stock Exchange, with operations primarily in the Arabian Peninsula region, GMS is subject to UK and UAE climate change and environmental reporting regulations. Changes to policy and reporting requirements are very likely to occur in the short term, with the UK committing to net zero by 2050 (Almost Certain). Only one of the Group's vessels is currently located in Europe. A second vessel will be relocated to Europe for a new long-term contract. The potential operational/financial impact of such changes is considered Limited to Moderate. In the short term, fewer climate-related policy obligations are anticipated for operations in the Arabian Peninsula region sites, compared to the UK. However, in August 2024, a new Federal Decree-law in UAE was issued regarding the reduction of climate change impacts (effective from May 2025).	<2°C 2-3oC Medium term 2024 Risk rating – Amber	The Group aims to mitigate this risk by carefully monitoring legislative developments to minimise non-compliance with all relevant laws in the UK and the Arabian Peninsula region. Our Annual Report includes all the legally required information. There is potential for increased mandates and regulation of our existing products and services. In the long term, this is expected to be associated with the carbon emissions of our vessels. More detail on this is provided under technology risks below (See Table 7). Due to our existing carbon reporting and net-zero targets, we are well-prepared for the EU and UAE regulations announced this year (see Horizon Scanning section above). **Financial impact:** Increased operating expenditures. There are costs associated with compliance, including engaging external specialists, internal resources and potential penalties if regulations are not followed. Non-compliance could result in fines of a minimum of £2,500 and a maximum of £50,000. These costs have been assessed and factored into the budget, which is currently considered negligible. A central database is maintained to document our legally required and regulated policies and procedures. We are ISO 14001 (Environmental management systems) certified, which provides a framework for managing the environmental legislation that applies to our operations
Mandates on and regulation of existing products and services	In the short term, this risk is only Amber for the proactive scenario but this increases to Amber across all scenarios in the long term.	<2°C Short term 2024 Risk rating – Amber	Due to the nature of our services, this risk aligns closely with the above risk 'Enhanced emissions reporting obligations', and therefore the response is the same. We closely monitor upcoming legislation and are well-prepared for increased carbon reporting requirements.
Increased pricing of GHG emissions	This risk is categorised Amber from the medium term for the proactive and reactive scenarios, with potential significant or major impact, respectively.	<2°C, 2-3°C Medium term 2024 Risk rating – Amber	Carbon pricing is considered unlikely for our vessels in the Arabian Peninsula region, where most of our fleet are located. However, our EU-based vessels may be impacted by the changes to Regulation (EU) 2015/757 (see Horizon Scanning section above). We are well-prepared for this risk as we have developed our net-zero strategy, which will reduce our carbon emissions and minimise the impact should a carbon tax be introduced. Changes in tax legislation are closely monitored, and internal models can be used to factor this into the business strategy. **Financial impact:** Increased capital and operating expenditures. Based on our 2024 Scope 1 emissions, our net-zero targets and current projections for global carbon prices per tCO_2e, a carbon tax could have various financial impact ranges; please see the table below. This is based on data from The World Bank, the Network for Greening the Financial System, the Intergovernmental Panel on Climate Change (IPCC), Organisation for Economic Co-operation and Development (OECD) and Reuters.

Scenario	2025 (£k)	2035 (£k)	2050 (£k)
Proactive	£2,456	£3,156	£1,114
Reactive	£640	£6,027	£2,066
Inactive	£653	£719	£627

Transition Risks – Reputation

GMS strives to being the best Self-Elevating Support Vessel (SESV) operator in the world, and a key to that vision is to perceive GMS to be acting responsibly and contributing to a sustainable future. We are aware that a suitable response to the challenges of climate change is increasingly important to our investors and shareholders. We believe that through our TCFD reporting and net-zero strategy, we are demonstrating our commitment to address this critical risk.

Table 5. Reputation risks with a description, the timeline and scenario where the risk is first rated Amber and our response.

Risk	Description	Risk Assessment	Our Response
Increased stakeholder concern	In the short term, increased stakeholder concern may be seen, including from employees who may start to take company environmental action and preparedness into account. This could impact the Group's revenue and employee retention. This concern would be greater in a <2°C scenario, where there is greater awareness and more action required. It would be lower in a 2-3°C scenario, where action is being taken sporadically.	<2°C Short term Risk rating – Amber	The Group's workforce requirement is concentrated in its core market, the Arabian Peninsula region, which is currently reliant on and supportive of the oil and gas industry. It is expected to remain so in the near future. GMS does not anticipate struggling to retain suitably experienced and qualified staff. We are committed to acting responsibly towards the environment, as demonstrated by our net-zero targets and strategy. We have already allocated internal resources to plan a net-zero strategy and regularly monitor current and emerging regulations. These measures will help mitigate this risk by showing that we are a proactive company regarding climate change and environmental responsibility. **Financial impact**: Reduced revenue, increased costs to recruit if there is increased employee turnover.
Shifts in Consumer Preferences	As climate change becomes increasingly important and urgent, it will impact investment decisions. This could impact future access to capital for businesses that do not respond appropriately.	<2°C Medium term Risk rating – Amber	There is increasing concern over fossil fuel use in the UK/EU, although demand for oil and gas is predicted to grow. As a result, new investors may become more challenging to find. However, current shareholders are heavily invested in the Group's existing strategy and business model. Therefore, the likelihood of a Significant impact is considered Unlikely in the short term and in the most optimistic scenario (<2°C), which is not currently in line with the UAE's approach. **Financial impac**t: Reduced ability to raise capital.
Stigmatisation of sector	Increased climate concerns can lead to the stigmatisation of certain sectors and industries.	<2°C Short term Risk rating – Amber	This risk would significantly impact the business if realised. However, we do not expect to experience an impact on demand for or production of oil and gas in the Arabian Peninsula region within the short to medium term. The Amber rating is first given in the short term for the <2°C scenario, which is not the current trajectory for the Arabian Peninsula region. **Financial impact:** Reduced revenue from decreased demand for services. Climate opportunities – for example, using our vessels for the maintenance of offshore renewable projects offers versatility and resilience to our business model.

Transition Risks – Market

The global shift towards a net-zero economy will significantly transform the products and services of industries worldwide. This transformation presents both risks and opportunities for businesses. The primary risk lies in the potential disruption to the supply and demand dynamics of our services, as well as necessary adaptations within our supply chain.

Table 6. Market risks with a description, the timeline and scenario where the risk is first rated Amber and our response

Risk	Description	Risk Assessment	Our Response
Changing customer behaviour	In a 2-3°C scenario, where urgent action is being taken, it is Possible that there could be changing customer preferences resulting in reduced demand for goods and services. This could have a Significant impact in the medium term.	2-3ºC Medium Risk rating – Amber	The Group will continue to monitor any shift in consumer demand across the regions in which it operates. However, oil and gas have always been the mainstay of our business. It is only considered possible for a Significant impact to be felt in a <2ºC scenario, which is not currently considered in the UAE. Globally, the Westwood Global Energy Group report predicts an increase in the production for oil & gas until 2030, including in the Group's core markets. However, the Group is aware that the UAE, along with many other governments, has set a net-zero target and, in the long term, will need to make substantial changes to meet these targets. GMS has a proven track record in the renewables sector and an ongoing presence in Europe for offshore wind projects. This provides versatility in our business model, and our vessels are suitable for use in this sector without major additional capital expenditure. We are on a six-year contract for one of our vessels on a renewables project in Europe and recently secured a new long-term contract for another renewables project in the region. We are researching a business management system that can support us in identifying potential areas for financial loss and help us adapt if our strategy needs to change. **Financial impact**: Reduced revenue. Given the concentration of revenue in National Oil Companies in the Arabian Peninsula region, the impact could be Significant if materialised.
Increased cost of raw materials	Climate policies could lead to additional abrupt and unexpected shifts in energy costs.	<2-3ºC Medium term Risk rating – Amber	This is considered a low risk as our clients pay for the fuel costs, with only Minor financial impact for the Group in the short term, rising to moderate in the reactive scenario over the medium to long term. However, we are always working to improve the efficiency of our vessels to meet our clients' expectations, as they expect value for money in the services they receive. **Financial impact**: Increased operating costs for clients.

Transition Risks – Technology

Table 7. Technology risks with a description, the timeline and scenario where the risk is first rated Amber and our response.

Risk	Description	Risk Assessment	Our Response
Costs to transition to lower emissions technology	A requirement to transition to lower emissions technology is Possible in the medium term, under a <2°C scenario, which could be associated with additional costs for GMS. The impact would be the same in a 2-3°C scenario, but this is considered Unlikely. The likelihood of this risk will increase over time.	<2°C Short term Risk rating – Amber	Existing vessels will likely need to be retired or will have fully depreciated across their remaining useful life before we are required to replace them with greener options. These routine replacements are factored into our budget and strategy. Therefore, we do not consider that vessel replacement costs will significantly impact our business at this point. This risk is higher in Europe, where we currently have one vessel and is considered lower in the Group's core market of the Arabian Peninsula region. In 2024, we have been researching alternative fuels and efficiencies for our vessels. We are considering potential efficiencies for our existing vessels. Planning for net zero will help minimise these risks, as these costs can be factored into our long-term business plan. **Financial impact:** Increased capital expenditures.
Unsuccessful investment in new technology	This risk only moves to Amber in the medium to long term as we are still at least 10 years away from suitable vessels being available.	2-3°C >3°C Medium term 2024 Risk rating – Amber	GMS conducts ongoing research into potential future fuels for its existing and replacement vessels. Additionally, we try the new technology out in a single vessel first. This minimises the risk of unsuccessful investment in new technology. **Financial impact:** Increased capital expenditures

Physical Risks

Due to our existing controls, all identified physical risks are currently rated as green and therefore, the impact is considered low. Although physical impacts are expected from climate change, our offices and most vessels are in the Arabian Peninsula region, which is well-adapted to an extreme climate with high temperatures, low precipitation, and high-water stress. Infrastructure and labour regulations have been designed to manage these risks. The climate scenario analysis indicates a likely increase in sandstorms due to rising temperatures and declining precipitation. Our vessels are prepared for sandstorms with specialised filtration devices that reduce the risk of sediment damaging the vessels' engines. Decreased precipitation will exacerbate water stress in the region. Our vessels are equipped with desalination equipment to mitigate water stress, and we are also exploring innovative solutions like extraction of water from the air.

Opportunities

GMS can capitalise on two significant opportunities presented by the need to address climate change. First is on operational perspective – we can enhance our efficiency, which will lower operating costs, strengthen our resilience against evolving energy use and carbon emission regulations, and showcase our dedication to sustainability.

Second is on business strategy - we can leverage our vessel capabilities within the growing renewables sector. Building on our established success in this area, we are committed to maintaining a strong presence in Europe to enable us to continue accepting offshore wind farm contracts.

Engaging with Our Clients and Supply Chain

To manage our climate-related risks and reduce our carbon emissions, we need to engage with our clients and supply chain. In 2023, we began engaging with our top suppliers on their carbon footprint. This involved asking whether they already collected data on their Scope 1, 2 and 3 emissions, which feed into our Scope 3 emissions, and then starting to work with them to reduce those emissions. Currently, 10 of our top 30 suppliers have already published their emissions on their websites or using the annual Carbon Disclosure Project (CDP) disclosure questionnaire.

During 2024, we have continued considering the risks associated with our suppliers directly and supply chain-associated risks in general. These cover three key areas: food, fuel and vessel parts. As part of our commitment to local sourcing and due to the in-country value schemes endorsed by our major clients, our top suppliers are mostly located in the Arabian Peninsula region. They are subject to similar transitional and physical risks as the Group. As with GMS, they are already prepared to cope with extreme conditions and transitional risks are expected to be limited in the short to medium term.

Risk Management

Our Risk Management Approach

GMS has an established enterprise risk assessment process into which climate-related risk management has been integrated (see the main Risk Management section). Each year, our climate scenarios are re-run, horizon scanning performed, and the risks reassessed. Material risks identified in our climate risk register are integrated into the main risk register. This is in response to the increasing importance placed on climate change by the public, clients, investors and employees.

The first step in the risk management process is identifying and assessing risks, which is conducted through reviews by individual departments. Mitigating controls are then determined. In the case of climate-related risks, we have engaged with a third-party consultant to ensure a thorough and informed understanding of the potential risks and opportunities guided by the TCFD framework.

The Senior Management team consolidates identified risks into an overall heatmap for principal risks. The Audit and Risk Committee review the risk profile several times a year. The Board discusses the Group's risk register at its principal meetings and formally reviews the risk profile annually.

The following steps were taken to assess climate-related risks through climate scenario analysis:

Step 1 – Identifying the risks:
External specialists used climate scenario analysis in November 2024, for the fourth year in a row, to assess 13 potential transitional and six physical risks to the business over three climate warming pathways and three timelines. Physical risks are identified at site level, and transition risks at Group level. These were presented to Senior Management and the Board at the climate risk workshop in November 2024 for their input on the potential size/scale of the risk/opportunity, which could impact the business operations and strategy.

Step 2 – Assessing the risks:
These provisional risks were presented to the relevant internal stakeholders, including the Chief Financial Officer, at the Group and site levels. Following our existing enterprise risk assessment process and drawing on the relevant expertise of Senior Management, each provisional climate-related risk and opportunity was allocated a likelihood and impact rating, which were combined to provide the inherent risk rating for each scenario and timeline.

Step 3 – Addressing the risks:
For each risk, the current mitigation measures and the most appropriate approach for managing residual risk is discussed annually during the climate workshop. A score is given to indicate how effective the controls are, which is combined with the inherent risk rating to provide a provisional overall risk rating of Red, Amber or Green for each scenario and timeline. There were no changes to this assessment from last financial year's ratings. Therefore, there are still ten risks assigned an Amber rating and, therefore, classified as material. Risk management workshops are held at least bi-annually between the Executive Chairman and the Senior Management team, where principal risks, including climate change, are assessed for impact and likelihood.

In 2022, we developed our net-zero targets and strategy. By reducing our emissions in line with these targets through actions such as improving the efficiency of our vessels and reducing business travel, we will mitigate some of the policy, legal, reputation, and technology risks identified. The Science-Based Targets initiative (SBTi), the accepted standard for net-zero targets, defines net zero as emission reductions of at least 90% across all scopes before 2050, with only a very small number of residual emissions (up to 10%) being neutralised with carbon removals. Our net-zero targets and progress against those targets demonstrate to interested stakeholders that we are taking climate change seriously. The resulting strategy will allow us to plan for the transition to a low-carbon economy, especially around our business travel, vessels and fuel use.

Metrics & Targets

We acknowledge that we have a responsibility to reduce our environmental impact as far as possible, while delivering sustainable business growth. In order to support this commitment, we have been measuring our Scope 1 and 2 emissions since 2014 and our Scope 3 emissions since 2021. Financial year 2021 is our base year for our emission reduction targets, as this is the first year of our full emissions footprint. Our near-term and net-zero targets were approved by our Board in December 2022, and the progress against each of them is outlined in Table 8. Our ultimate net-zero deadline of 2050 is in line with the national targets of the UK, UAE and Qatar.

Scope 1 emissions result from the direct combustion of gaseous and transportation fuels during the reporting year. Scope 2 refers to the emissions associated with purchased electricity used in our offices. Scope 3 emissions are the indirect emissions associated with operating our business. Although we do not have direct control over these emissions, we are taking steps to work with our supply chain and employees to develop an emission reduction strategy.

Our Scope 2 emissions account for 0.04% of total emissions and are considered de-minimis. Therefore, Scope 2 emissions have been excluded from these net-zero targets. Each year, we aim to improve the quality of our data collection to ensure our reporting is increasingly accurate. We acknowledge that sometimes, this will increase the figures in some categories and we will explain these in our reporting, as required. We believe this transparency is an important part of being a responsible business.

Carbon Emissions

In compliance with the UK government's Streamlined Energy and Carbon Reporting, we have included our emission figures, energy usage and intensity metrics for in 2024. GMS provided relevant data to a third party who used this to calculate our emissions. No formal assurance was provided.

Our carbon emissions have been calculated in line with the GHG Protocol Corporate Value Chain (Scope 3) Reporting Standard and the 2019 UK Government environmental reporting guidance. FY2021, FY2022, and FY2023 Scope 3 emissions have been restated to account for updated DEFRA conversion factors. There is no data for categories 9-15, as these are not applicable to GMS. Category 8, upstream leased assets, became applicable in 2023, as we started leasing a small amount of shared office space in Qatar and Saudi Arabia. The large reduction in business travel emissions since the baseline is due to the removal of quarantine requirements for offshore staff due to COVID-19, which significantly decreased the number of hotel nights.

Between 2023 and 2024, there has been a substantial decrease in Category 6 Business Travel (55%) due to fewer nights spent in hotels and fewer kilometres travelled. Additionally, there was a 42% decrease in electricity consumption at upstream leased assets (Category 8).

Energy Usage and Carbon Intensity

We use average carbon intensity data (tCO_2e/\$m revenue) to assess our performance and progress against the Paris Agreement target. Our metrics use location-based Scope 2 emissions.

Table 8: 2024 progress against targets

Target	Risk mitigation	2021 Baseline Value	2024 Value	% Change from Baseline	Comments
2025: Engage with the top 10 suppliers by spend on their carbon emissions and reporting.	By working with our suppliers, we can reduce our Scope 3 emissions and mitigate risks associated with emissions reporting and pricing.	Zero suppliers engaged.	We have not conducted further engagement on this topic in 2024. However, we engaged with our largest supplier in 2023 and know that ten of our top 30 suppliers have emissions data published, either on their own websites, reporting or through CDP.	10%	Delayed
2030: Assess the feasibility of replacing one of our jack-up barges with one able to use a low-carbon alternative fuel by 2030.	By thoroughly researching future technology for our vessels, we can mitigate the risks from potential unsuccessful investment in new technology and also understand and control the costs to transition to lower emissions technology.	No feasibility assessment undertaken.	Potential alternatives were presented to the Board in November 2024, along with potential upgrades to existing vessels.	50%	On Track
2035: Absolute net zero in Scope 3 emissions from 1: purchased goods and services, 4: upstream transport and distribution, 5: waste generated in operations, 6: business travel, 7: employee commuting and 8: upstream leased assets.	By tracking and reducing our carbon emissions, we can mitigate the risk of enhanced emissions reporting obligations and increased pricing of GHG emissions.	18,355 tCO_2e.	9,595* tCO_2e.	-47.7% Driven by a large decrease in our purchased goods and services and business travel emissions.	On Track A 4.2% annual reduction is needed going forward.
2050: Absolute net-zero in Scope 1 and Scope 3 (2: capital goods and 3: fuel-related emissions).	By tracking and reducing our carbon emissions, we can mitigate the risk of enhanced emissions reporting obligations and increased pricing of GHG emissions.	57,987 tCO_2e.	66,292* tCO_2e.	+14.3% Due to a 11.8% increase in fuel consumed by our vessels since baseline.	Off Track We will continue to focus on our 2030 target of low-emission vessels to tackle these emissions. A 10.4% annual reduction is needed.

*Figures have been rounded to 0 decimal places, and therefore, slight differences may occur in the numbers presented here.

Efficiency actions

We continually assess how to reduce energy use and the associated carbon emissions. In 2024, we have been able to reduce hotel nights and kilometres travelled for business purposes.

Waste

Waste management is important in minimising our environmental footprint and will contribute to our net-zero journey. Our waste strategy is centred around four principles: Reduction, Reuse & Recycle, Treatment and Disposal. Our vessels are fitted with separate waste bins for each type of recyclable material or disposal method, which ensures that we have detailed data on waste materials. Waste is then emptied and brought to shore, where it can be appropriately managed.

It is securely stored before the treatment process to ensure our waste does not degrade, spill or get stolen. Due to the nature of our operations, we produce oil waste. Our oil waste is not contaminated or mixed to ensure it can be correctly treated and recycled. We send regular reports to the local governing bodies concerning the quality and quantity of oil waste and its treatment methods. Table 11 summarises our waste produced and the percentage sent for recycling. Although we prioritise reducing the volumes of waste produced on our vessels, our customer's crew make up around 75% of the people on board, with our crew making up the remainder. Therefore, we are unable to set formal waste reduction targets as our influence on this is limited.

Water

Water is the most important resource on the planet. We know that our workers must always have access to adequate, safe drinking water. The water on our vessels is either sourced from desalination or single-use plastic bottles. Most water used on board is for drinking or sanitation services. As our crew are working under extreme temperatures, we do not feel it is safe to set water reduction targets, as a plentiful supply of water and electrolytes is always needed to reduce the risk of heat stroke or illness.

Table 9: 2021, 2022, 2023 and 2024 full carbon footprint and progress since our 2021 baseline.

Category	2024	2023	2022	2021	Progress from 2021 baseline
Scope 1	52,841	54,397	51,860	47,247	↑ 11.8%
Scope 2 (location-based)	27	26	28	31	↓ 12.9%
Total Scope 3	23,046	24,651	25,968	29,095	↓ 20.8%
1. Purchased Goods & Services	5,389	5,665	5,858	11,395	↓ 52.7%
2. Capital Goods	2,037	3,052	1,129	560	↑ 263.8%
3. Fuel-related Emissions	11,413	11,717	10,270	10,180	↑ 12.1%
4. Upstream Transportation and Distribution	1,562	318	5,646	377	↑ 314.3%
5. Waste Generated in Operations	1,417	1,271	667	654	↑ 116.7%
6. Business Travel	1,107	2,481	2,275	5,871	↓ 81.1%
7. Employee Commuting	115	136	124	57	↑101.8%
8. Upstream Leased Assets	6	11	–	–	–
Total All Scopes	75,914	79,074	77,856	76,373	↓ 0.6%

Table 10: Our 2021-2024 energy usage and carbon intensity metrics.

Year	2024	2023	2022	2021	Progress from 2021 baseline
Scope 1 Energy Usage MWh	194,203	198,063	190,060	171,165	↑ 13.5%
Scope 2 Energy Usage MWh	64	63	67	72	↓ 11.8%
Scope 1 & 2 tCO_2e/$m revenue	318.52	358.99	389.55	410.76	↓ 22.5%
Scope 1, 2 & 3 tCO_2e/$m revenue	457.36	521.60	584.50	663.54	↓ 31.1%

Table 11: A breakdown of the waste types from our vessels and offices during the financial year 2024.

Metric	2024	2023	2022	2021
Total waste produced (tonnes)	9,278	6,676	4,572	7,566
% of waste recycled	69.9%	58.5%	1.0%	0.0%

Social

Values
At the heart of our business are the core values of Responsibility, Excellence and Collaborative Relationships. These values guide every decision we make, from ensuring the safety and well-being of our team and partners to upholding the highest ethical standards.

Responsibility
At GMS, the health, safety, and environmental well-being of all individuals and communities impacted by our operations are paramount. Safety is integral to every aspect of our business.

We prioritise the safety and well-being of our employees, subcontractors, clients, partners, and all other stakeholders. We believe that responsible risk management and a genuine care for people are essential for building long-term, sustainable value.

As we pursue growth opportunities, our commitment to safety and collective welfare remains unwavering. We strive for excellence while fulfilling our responsibilities to the people we serve, the environments we protect, and the communities that support our work.

Excellence
At GMS, excellence is our unwavering pursuit. We are committed to continuous improvement and innovation, constantly seeking new ways to exceed client expectations. By learning from past successes and exploring groundbreaking ideas, we enhance our delivery capabilities and forge stronger partnerships.

We set ambitious targets that demand superior quality, exceptional value, and outstanding outcomes. These challenging goals push our organisation to new heights, ensuring we consistently deliver positive impacts for our clients and all stakeholders.

Integrity and transparency are the cornerstones of our business. We operate with the utmost rigor and ethical conduct, earning the trust and preference of clients who value our commitment to sustainable quality.

As we explore avenues for future growth, we remain steadfast in our core priorities: service excellence, stakeholder welfare, and unparalleled delivery. These principles have solidified GMS's position within our sector, and we are dedicated to upholding and strengthening this foundation of trust for years to come.

Collaborative Relationships
GMS believes in fostering strong, collaborative relationships with all its stakeholders. We are committed to continuous improvement and innovation, working closely with our clients to understand their unique needs and develop tailored solutions that exceed expectations.

We actively engage with our partners, suppliers, and employees to build trust and foster a collaborative environment. By leveraging the collective expertise and insights of all stakeholders, we can identify and implement innovative approaches that deliver exceptional value and achieve shared success.

We prioritise open communication, transparency, and mutual respect in all our interactions. We strive to build long-term partnerships based on trust, integrity, and a shared commitment to achieving excellence.

Our success depends on the strength of our relationships with all stakeholders. By working together collaboratively, we can achieve our shared goals and create a sustainable future for GMS and our partners.

GMS Organisation Structure
Our organisational structure is pivotal to our success. We have cultivated a robust framework that empowers our teams, fosters collaboration, and positions us for sustained excellence.

Our foundation rests on a network of Core functions – Operations, Marine and Engineering, Maintenance, and Project Delivery – that directly drive our technical capabilities and performance. These Core functions are supported by a robust set of enabling services, including Health, Safety, Environment and Quality (HSEQ), Business Development, Procurement, Finance, Human Resources and other essential expert functions.

This structure strikes the ideal balance between focused client delivery and efficient business operations. Core teams are empowered to deliver exceptional service, while enabling functions provide the necessary support and streamline operations across the organisation.

Seasoned leadership guides our strategic direction, fostering seamless collaboration across all departments. This enables us to mobilise the right talent and resources to capitalise on new opportunities and adapt effectively to evolving market demands.

Our organisational structure is not merely a framework; it is a dynamic platform for growth. Built on a foundation of client-centric agility, operational discipline, unified vision, and rigorous governance, it empowers GMS to achieve sustainable excellence in the years to come.

Achievement
GMS achieved remarkable recognition in 2024 for its innovative human resources practices and outstanding workplace culture. The Company was honoured as a Gold Winner in two prestigious categories at the Economic Times HCA MENA 2024 Awards: 'Excellence in Cultivating a Culture of Trust and High Performance' and 'Excellence in Change Management'.

Further cementing its position as an industry leader in people management, the Company was shortlisted for the Future Workplace Awards 2024 in the 'Best HR Transformation & Change Management Strategy' category, highlighting our ongoing commitment to creating a progressive and dynamic workplace environment that drives business success.

Turnover
GMS fosters a stable workforce with an employee turnover rate maintained at 12% since 2023. This stability can be attributed to a comprehensive approach to talent retention, including competitive compensation, attractive retention bonuses, and ample opportunities for career growth for high-performing employees.

Diversity
GMS thrives on a diverse and inclusive global workforce. Our team comprises 727 talented individuals from 36 countries, an increase from 660 personnel representing 34 countries in 2023. This rich diversity fuels innovation, strengthens our understanding of diverse markets, and fosters a truly global perspective within our organisation. The information on page 46 provides details of diversity of our personnel.

GMS is an equal opportunity employer with a zero-tolerance policy for any form of discrimination, including gender, race, colour, nationality, ethnic or racial origin, marital status, religion, or disability. We are committed to creating an inclusive environment where all employees feel valued, respected, and empowered to reach their full potential. For more information on our Equal Opportunities Policy, please visit the Governance section of our website.

The number of offshore female personnel is currently limited by cultural and legal factors. In some countries in the Arabian Peninsula region where GMS operates, local labour laws stipulate that women cannot work in an inappropriate environment and hazardous jobs/industries and may not be required to work at night. As a result, GMS may be unable to employ women in certain offshore roles due to these constraints. Furthermore, as GMS does not fall under the scope of the UK Government's Equality Act 2010 regarding gender pay gap disclosure, this information has not been provided.

Employee Engagement and Welfare

Our 2024 Employee Engagement Survey achieved an 89% completion rate, with 636 employees participating across offshore and onshore operations. Of the respondents, 94% reported feeling informed about Company performance, and 96% expressed pride in working for GMS and would recommend it as an employer.

The survey highlighted our workplace strengths: 96% of respondents confirmed our stance against workplace harassment, 97% expressed confidence in our safety-first culture, and 95% felt empowered to express opinions without fear. These results from our respondents reflect our commitment to an inclusive, transparent, and safety-conscious environment.

We enhanced employee welfare by extending maternity leave to 90 days for our female employees onshore, exceeding UAE labour law requirements. Responding to feedback from our 2023 survey that highlighted opportunities for enhanced training and development, we provided all onshore employees in 2024 with access to online training through a new partnership. The 2024 survey results have identified new areas for continued focus, with respondents highlighting opportunities for improvement in compensation structures, career advancement pathways, and streamlined supplier payments. We are actively developing initiatives to address these areas.

Our successful engagement sessions between onshore employees and members of the Board in Abu Dhabi provided valuable opportunities for direct interaction and feedback, further strengthening our commitment to creating a workplace where employees feel valued and empowered.

Performance

To better align individual and company goals, the Short-Term Incentive Plan (STIP) was redesigned in 2019. All participants, including Executive Directors, strive towards the same transparent performance targets. GMS emphasises a performance-based culture with no guaranteed variable pay awards.

The 2024 STIP measures for employees are outlined on page 79. This approach encourages a shared focus on achieving Group objectives and aligns with the interests of our shareholders.

Succession Planning

GMS believes in fostering a growth-oriented environment where our employees can thrive. To this end, we have established a structured succession planning process that prioritises internal candidates for key roles whenever possible. This approach allows us to recognise and reward high-performing employees, develop a strong leadership pipeline and boost employee morale and engagement.

While internal recruitment remains our primary focus, we also recognise the need for external hiring in specific situations, such as filling highly specialised roles or during periods of rapid growth. All recruitment activities are conducted ethically and fairly, adhering to our core values.

In 2024, we successfully promoted 36 employees across various levels, demonstrating our commitment to internal growth. This represents a slight increase from 34 in 2023, indicating a more stable and sustainable approach to talent management.

By investing in the development of our internal talent, we not only create opportunities for individual growth but also contribute to the overall success and long-term sustainability of GMS.

Learning and Development

GMS ensures all employees maintain technical and regulatory training required for their roles. Seafarers maintain STCW qualifications to operate vessels, meeting International Maritime Organisation requirements. Crew members complete additional training in offshore safety, awareness, and emergency response for Oil & Gas sector operations.

During 2024, GMS saw significant expansion of its learning and development programs. In response to employee feedback for more learning opportunities, we have offered all onshore employees access to online training through a new partnership.

This initiative provides unlimited access to courses across technical, business, and leadership domains, enabling personalised learning paths aligned with both individual career aspirations and organisational needs. There was also a specialised communication workshop led by Board member Haifa Al Mubarak, focusing on effective communication strategies for key staff members.

GMS also invested in the development of local talents in areas of HR, IT, Procurement, Operations, HSEQ and Finance departments. Each follows tailored development paths combining structured learning with hands-on experience.

Ethical Practices

As a UK-listed company, GMS adheres to the highest standards of corporate governance and complying with all applicable laws and regulations. Our Code of Conduct serves as the cornerstone of our ethical framework, outlining the principles and values that guide our business decisions and interactions. All employees receive comprehensive training on the Code of Conduct as part of their induction, as our success depends on its application in stakeholder dealings.

The Annual Compliance Awareness Campaign includes online training and assessment of key policies including Anti-Bribery and Corruption, Code of Conduct, and Whistleblowing procedures. All onshore employees and offshore key personnel complete these mandatory trainings.

Our independent whistleblowing service operates 24/7 with professional call handlers, providing:

- a voice for employees, contractors, suppliers and stakeholders
- maintenance of an open culture
- demonstration of our commitment to addressing malpractice
- Executive team oversight of business climate
- support for employees who speak up.

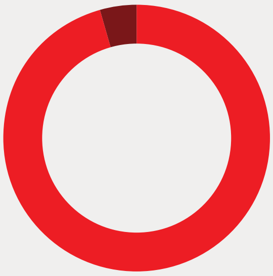
The Whistleblowing Policy includes a strict non-retaliation commitment, supported by regular training to ensure our ethical framework remains robust and accessible.

People as at 31 December 2024

Total number of employees

727

(2023: 660)



Male	696
Female	31

Total number of Directors

5

(2023: 6)

Male	4
Female	1

Total number of Executive Team

3

(2023: 3)

Male	2
Female	1

Total number of Direct Reports to Executive Team

17

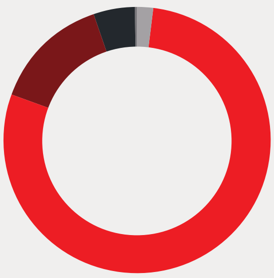
(2023: 14))

Male	13
Female	4

Offshore

652

(2023: 599)

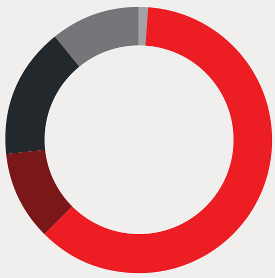


Africa	13
Asia	514
Europe	92
MENA	32
Other (US, Canada, Venezuela, New Zealand, Dominica)	1

Onshore

75

(2023: 61)



Africa	1
Asia	46
Europe	8
MENA	12
Other (US, Canada, Venezuela, New Zealand, Dominica)	8

Nationalities

36

(2023: 34)

Voluntary turnover

12%

(2023: 12%)

Health and Safety

The Group adheres to the highest international standards of health and safety in operating its vessels. Our Management Systems, which oversee all activities and operations of the Group, are voluntarily accredited to ISO 9001, ISO 14001, and ISO 45001. Additionally, all vessels operate in compliance with the International Safety Management (ISM) Code, meaning the International Management Code for the Safe Operation of Ships and for Pollution Prevention, which is a legal requirement.

Regular assessments of risks stemming from operations and activities are conducted to ensure the implementation of mitigation procedures, which are then communicated to all employees. Comprehensive training and employee engagement initiatives ensure that all employees are well-informed about operational risks. Annual training programs are developed and periodically reviewed to maintain efficacy.

In the previous years, GMS implemented a remote healthcare system for all its offshore workforce, providing access to onshore Doctors and mental health support 24/7. Additionally, GMS implemented a Group-wide Marine Enterprise Resources Planning System to modernise and digitalise its vessel operations. The system integrates all aspects of vessel management through one web-based platform hosted on the cloud and accessed onshore and offshore. Management now has access to a centralised database used to enhance efficiency and improve decision-making.

In 2023, the Group implemented an online platform that delivered comprehensive safety awareness trainings directly to individuals on board the vessels, ensuring quick comprehension and immediate application.

With this system, crew that is off rotation do not miss important and relevant safety updates that pertains to the Group when they are back to the vessel. This is achieved because the system acts as a repository of safety information, guaranteeing access to the latest safety information any time and anywhere.

The Group is pleased to report that it has successfully maintained a Lost Time Injury Rate (LTIR) of 0 from 2023 to 2024, with no cases requiring medical treatment or restricted work duties. Consequently, the Total Recordable Injury Rate (TRIR) declined from 0.18 in 2023 to 0 in 2024. These metrics are significantly below the industry average. We remain committed to continuous improvement in our systems and processes and will proactively engage our employees to ensure our offshore operations uphold the highest safety standards, consistent with the expectations of our customers and stakeholders.

The information below is intended to provide an overview of the Health and Safety performance over the reporting period.

Number of work-related fatalities

0

(2023: 0)

Number of recordable work-related injuries

0

(2023: 2)

Number of high-consequence work-related injuries

0

(2023: 2)

Number of hours worked

2,497,312

(2023: 2,378,216)

> "Comprehensive training and employee engagement initiatives ensure that all employees are well-informed about operational risks.


13

Performance Evaluation Framework for 2024

As approved by the Remuneration Committee, the following table outlines the key performance measures and their respective weightings in determining the overall performance of the Group for 2024.

Measure	Weighting	**Performance Range** (From Zero to Full Pay-out)
EBITDA	25%	Less than US$ 86m – Greater than US$ 99.0m
EBITDA margin	5%	Less than 53% – Greater than 60%
Securing contract % of 2025 budget revenue	20%	Less than 60% – Greater than 85%
Securing contract % of 2026 budget revenue	10%	Less than 35% – Greater than 55%
Achieving leverage <2.48	20%	After 31 December 2024 – On or before 31 December 2024
Complete Debt Refinancing	15%	After 31 December 2024 – On or before 30 September 2024
Strategic partnership target	5%	After 31 December 2024 – On or before 31 December 2024
Objective of development of the Company's equity story and investor relations plan**	10%	To be assessed by the Remuneration Committee
Objective of development and implementation of senior management talent development and succession planning**	10%	To be assessed by the Remuneration Committee
Total	120%	

1	EBITDA*	<US$ 86.0m	US$ 86.0m–US$ 93.4m	US$ 93.5m–US$ 99.0m
	Score	0%	0.1–20%*	20.1–25%*
2	EBITDA Margin*	<53%	53–56%	56.1–60.0%
	Score	0%	0.1–4.0%*	4.1–5%*
3	Securing contracts % of 2025 budget revenue*	<60%	60–80%	80.1–85%
	Score	0%	0.1–16%*	16.1–20%*
4	Securing contracts % of 2026 budget revenue*	<35%	35–50%	50.1–55%
	Score	0%	0.1–8%*	8.1–10%*
5	Achieving leverage < 2.48	After 31 December 2024		On or before 31 December 2024
	Score	0%		20%*
6	Completion of debt refinancing	After 31 December 2024	On or before 30 September 2024	On or before 31 December 2024
	Score	0%	15%	10%*
7	Strategic Partnership target	After 31 December 2024		On or before 31 December 2024
	Score	0%		5%

* Zero to full pay-out is not linear as bands operate within the performance ranges shown.

** The annual bonus potential for Mansour Al Alami in 2024 was 120% of salary. The proportion above 100% of salary or otherwise determined by the Remuneration Committee (in this case, 17.49% of salary), will be deferred into shares under the Deferred Bonus Plan.

Benefiting our members and shareholders

The Directors of Gulf Marine Services PLC, both individually and collectively, believe that they have acted in a way that would most likely promote the success of the Group, benefiting of its members as a whole and its other stakeholders.

The key matters considered by the Board include the following:

- safeguarding and promoting the interests of the Group's shareholders as a whole;
- the interests and safety of the Group's employees and other members of the workforce in the Group's Operations;
- the impact of the Group's operations on the community and the environment;
- the need to foster the Group's business relationships with lenders, suppliers, customers and other stakeholders;
- the desirability of the Group maintaining a reputation for high standards of business conduct;
- the likely consequences of any decision in the long term;
- the need to act fairly between members of the Group.

Stakeholder engagement and analysis are integral to our risk management process. We interact with these important groups through various methods, including direct discussions, surveys, and participation in community, industry, and government events and forums. These interactions provide valuable insights that inform the Board's deliberations.

The Board has always taken into account its obligations under Section 172(1) of the Companies Act 2006 (Section 172), including during the year, and current reporting requirements.

Key decisions have been specifically confirmed at each main Board meeting to consider these matters. This has been supplemented by the roles of the individual Directors giving due regard and consideration for each element of the Section 172 requirements. The Board has always maintained an approach to decision-making that promotes the long-term success of the business in line with the expectations of Section 172. The disclosures set out here summarise how GMS deals with the matters set out in Section 172(1)(a) to (f). Cross-references to other sections of the report for more information are also included.

How GMS Engages with Stakeholders	Stakeholder Objectives	How did Engagement Support Board Decision Making?
Shareholders		
GMS shareholders are institutional investors and private shareholders located across the world. We recognise the importance of the activities and outcomes of stewardship and regularly engage with investors on our financial performance, strategy and business model and our Environmental, Social and Governance (ESG) performance. The Executive Chairman holds regular meetings with representatives of major shareholders and updates of these meetings are provided at each of the main Board meetings. The GMS website has a dedicated section with a specific email address for all shareholders to use, this is monitored daily, all emails receive a response. Shareholders can view the investor presentation that accompanies the full and half-year results. Our Annual General Meeting (AGM) provides another forum for our shareholder base to engage. GMS also has an active social media presence and posts updates on major developments in the Group. One of our non-executive Director was nominated by our largest shareholder. Refer to the Board Report on page 58 regarding protocols to manage information shared with the Group's non-independent non-executive Directors.	Investors are focused on a broad range of factors such as share price, financial and operational performance, strategic execution, corporate risk management and capital allocation, remuneration for management and returns for investors and the Group's ESG performance.	The Directors regularly received reports on the Group's major shareholders from the registrar and the brokers. They also received reports on management team's engagements with shareholders. The Executive Chairman and other members of management engaged with major shareholders throughout the year and held meetings with shareholders on over 69 occasions during 2024. The Board continues to have input into the Group's communication with its shareholders. There have been regular trading updates including all major contract wins, and information is posted on the Group's website and social media to maintain transparency to all current shareholders in the business and other potential investors.

How GMS Engages with Stakeholders	Stakeholder Objectives	How did Engagement Support Board Decision Making?
Clients		
GMS works closely with its clients to deliver an industry-leading offering. The Board is informed of all tender activity at each Board meeting. Senior Management engages regularly with clients via face-to-face meetings to ensure GMS fully understands operational performance: client service and safety are the key drivers of meetings. Through this engagement, GMS learns about immediate and ongoing tender requirements and future demand, and changes to strategy and/or technical or operational requirements. This informs critical business decisions associated with fleet deployment, prioritising future business development activity and resource and local content investment (HR, Procurement and Local Partnerships). It also helps with overhead sizing and allocation and capital expenditure planning, while meeting client needs.	Clients are mainly concerned with ensuring value for money in the services received. They also wish to ensure that services meet their specifications and are delivered efficiently and safely.	The Board maintains good relationships with key clients in the Arabian Peninsula region and European markets and a high level of industry knowledge. Engagement with clients was crucial in providing the information the Board needed to drive the Group's long-term plans, which are key to the long-term delivery of GMS' strategy. Engagement with our clients helped the Group to make informed decisions on capital expenditure, which remain suitable to keeping vessels in class and equipment in good condition to meet specific client requirements. The Group's focus continues to be on delivering a sustainable capital structure by deleveraging the balance sheet. Capital allocation and resources are being reviewed. Refer to the Financial Review for more details.
Lenders		
GMS continued to have extensive interaction with its previous and current lenders and respective teams. Capital structure and financial performance are always kept under consideration in any decision-making to ensure that the Group stays within its covenants.	Lenders are primarily concerned with ensuring that the capital value of their loans are protected, and that interest is paid. They also wish to ensure that other material provisions of the lending agreements are complied with.	The increase in adjusted EBITDA meant that the Group continued to successfully repay significant amounts of principal as well as interest, and this resulted in a reduction in leverage to 2.0 times (2023: 3.05 times). This was one of the main priorities for the Board, which the Group successfully delivered. → Refer to the Financial Review on pages 20 to 21 for further details.
Suppliers		
GMS' supply chain is fundamental to the ability to deliver reliable operations. The Group has a strategy of long-term partnerships with key suppliers based on regular and transparent communication with suppliers through site visits, calls and surveys. The Group continuously reviews its existing supply chain which ensures continuity of supply. The Board received regular updates on this during the year.	Suppliers are primarily focused on fair and timely payment terms as well as a collaborative approach and open terms of business. GMS works to maximise in-country spending, which is a requirement from National Oil Company (NOC) clients.	The Board was given regular presentations and updates on the Group's procurement activities including the development of key focus areas for procurement in future. The Group continues to investigate cost savings initiatives, and maximise in-country value and renegotiate the terms of major supply contracts to improve efficiency.
People		
Our employees are our most important asset. They want to work in an environment where they are safe and respected, and have the opportunity to learn, reach their potential and develop successful careers in a Company they can be proud of. The quality of the workforce is crucial to the success of GMS. We regularly communicate with both on and offshore staff via weekly email updates, meetings and video communication from the Executive Chairman to all offshore staff.	Employees are concerned with job security, opportunities for training, a culture of fairness, inclusion and communication, compensation and benefits.	Lord Anthony St John of Bletso is our dedicated workforce engagement non-executive Director. Regular updates on Health and Safety and HR activities and future plans are provided at main Board meetings. All non-executive Directors spend time in our offices in Abu Dhabi and engage with staff, most notably at the end of year celebration was held in Abu Dhabi to celebrate the collective wins as a team in 2024. During this event, long-service employees were also recognised with awards for 10, 15 and 20 years of service. Non-executive directors talked with different groups of employees at this event soliciting their views and recognising their contributions. → Refer to page 45 for more details on engagement with our people.

In the Chairman's Review commencing on page 4, I noted our focus on delivering long-term shareholder value as we navigate the dynamic landscape of our industry. This has ranged from setting and keeping under review Group strategy, to the substantial repayment and successful refinancing of Group debt. These decisions are made and progress achieved within a governance framework intended to allow business performance to be maximised with appropriate controls and risk management to enable this to be achieved over both the short and long terms.

This section of the Annual Report sets out the governance backdrop to what has been achieved and what is being planned on an ongoing basis. This includes further information on our focus on setting strategy and monitoring its implementation, on our work on risk management and internal controls, and of course on our public reporting. It includes reports by the Board and by each of our Committees.

Our work in these areas follows from the Board's belief that business success is achieved and sustained over the long-term through good governance; that shareholder value benefits from transparency of reporting externally as well as internally; and that the interests of all stakeholders can be properly served by only ethical business practices.

This has always been the approach taken by this Board and will continue to be so as we look further into the future for ongoing improvements in the financial performance already achieved.

This governance review, including the reports of the Board and its Audit and Risk, Nomination and Remuneration Committees, summarise key aspects of our work in these areas. Particular aspects in relation to the past year are set out below:

1. We held two strategy meetings in 2024. The first of these was in May to review and update strategy following our previous strategy meeting in September in the prior year. The second was in November in advance of the 2025 Budget preparation and annual reporting.

2. Each of these strategy meetings brought together the Board and Senior Management in a productive forum to discuss longer-term plans for the business. This included presentations and discussion on each key aspect of the Group's operations, recent and future industry developments and ongoing and future strategic plans. In each case, the conclusions reached have helped inform our continual planning for the business with a focus on shareholder value and stakeholder interests.

3. At these meetings, we benefitted from the diversity of the members of our Board, in terms of background, skill sets, experience and geographic location. This diversity ensures appropriate debate, challenge and encouragement for management in relation to Group strategy. It also enables the input of ideas and assistance on a wide range of matters from each of the Directors.

4. Of course, whilst the Board is responsible for setting strategy, it is the GMS employees who handle its implementation. This includes both those crewing our vessels and those onshore. In the past, arrangements have been made in order that Directors can visit a vessel in-port. In 2024, an event was arranged, led by Anthony St John, our non-executive Director for workforce engagement, for Directors individually to meet and chat with onshore employees in an informal environment. Events such as this help inform Directors of views directly from the workforce and we believe are also seen as worthwhile by employee participants.

5. As well as employees, other key stakeholders include the lenders under the new financing facilities completed during the year. These facilities replaced the legacy borrowing from before the restructuring of the Group, recognising the strength the Group and its balance sheet now enjoy. I would like to thank the lenders under these new facilities for working with us to enter into the Group's ongoing financing into the long-term enabling the future development of the Group and its financial performance.

6. Our other key stakeholders are, of course, our shareholders. I would like to welcome those shareholders who joined our register during the year either through the purchase of shares on the market or by receiving shares by way of dividend in specie from the former holding of Seafox International Limited. I would also like to thank these new shareholders as well as our existing shareholders for their ongoing support. We enjoy excellent engagement with our shareholders and welcome this on an ongoing basis.

7. Our Audit and Risk Committee continued its focus on risk management and internal controls as well as the Group's public financial reporting. This included review and discussion of key and emerging risks and plans for the Group's IT systems. It also included oversight of the preparation and audit of the Group's interim and full year results. I would like to thank Jyrki Koskelo as Committee chair, Alex Aclimandos as Chief Financial Officer and KPMG as external auditors together with their teams for their work, which has enabled the accurate publication of results on an ongoing basis. A summary of the Committee's work commences on page 63.

8. Our Remuneration Committee oversaw remuneration in the Group generally as well as deciding the remuneration for the Executive Chairman and senior management. The Committee has confirmed fair treatment for the workforce generally as well as reviewed remuneration including salaries and annual bonuses at a senior level. It has also kept under review the structure and timing of the next awards under the Company's Long Term Incentive Plan (LTIP), the renewal of which is to be proposed at the Company's upcoming AGM. I would like to thank Lord Anthony St John for his work as Chairman of this committee and indeed as non-executive Director for workforce engagement. The Committee's work is summarised in its report which starts on page 68.

9. The Nomination Committee conducted and reviewed the Board structure and membership. This followed on from the results of the performance review of the Board summarised in the report of the Nomination Committee on page 66. The Committee believes the current Board structure and membership provides the appropriate Directors in the relevant positions with the necessary mix of skills and experience for the Group's ongoing strategy. In particular, in the context of the ongoing success of the business, the Board believes that the combination of the roles of Chairman and Chief Executive remains appropriate for the time being while the ongoing succession plans and talent development within the business continue. These matters will remain under review and be reported on further in due course. A summary of the Committee's work commences on page 66.

10. The Board has maintained focus on avenues for the ongoing enhancement to shareholder value. Following the successful ongoing deleveraging of the business, these avenues include strategies for further development of the business and of plans to initiate our future dividend policy through a dividend and /or potential share buybacks, provided other plans permit and that loan covenants are fully met. Focus on generating value for all shareholders alongside the interests of other stakeholders has driven successes in the past year and will continue to do so in future.

This Corporate Governance Review, including the sections that follow, sets out how the Group has applied the main principles of governance contained in the 2018 UK Corporate Governance Code (the Code). The Board considers that the Group complied with the relevant Code provisions that applied during the year, except the provision with regard to the combined role of Chairman and Chief Executive. These roles are combined due to the relatively small scale of the business and the challenges in recruiting a CEO in the UAE of the calibre appropriate to a UK listed company. The Board believes this combined role remains appropriate at this time, although active succession planning and talent development continue to enable the roles to be split in the future.

We look forward to reporting on progress next year and to reporting against the recent updates to the UK Corporate Governance Code which take effect in relation to the Company in 2025.

Mansour Al Alami

Executive Chairman
8 April 2025

Governance Calendar for 2024

The overall calendar of meetings of the Board and its Committees for 2024 is shown below.

Governance Calendar for 2024

	Further information	Feb	7 Mar	26 Mar	Jun	Aug	Sep	Nov	Dec
Board	Page 58	●	●	●	●		●	●	●
Audit and Risk Committee	Page 63			●	●	●		●	
Nomination Committee	Page 66			●	●			●	
Remuneration Committee	Page 68	●		●	●	●		●	
Annual General Meeting	Page 62				●				

Directors also meet informally between main Board and Committee meetings to discuss performance and latest developments as these arise, with additional formal meetings being arranged as and when appropriate.

Meeting Attendance by Directors in 2024

Director	Board							Audit and Risk Committee				Remuneration Committee					Nomination Committee		
	27 Feb	7 Mar	26 Mar	5 Jun	3 Sep	12 Nov	16 Dec	26 Mar	5 Jun	19 Aug	12 Nov	27 Feb	26 Mar	5 Jun	30 Aug	12 Nov	26 Mar	5 Jun	12 Nov
Mansour Al Alami	●	●	●	●	●	●	●	○	–	○	○	–	–	○	○	○	●	●	●
Jyrki Koskelo	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Lord Anthony St John of Bletso	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Charbel El Khoury	●	●	●	●	●	●	●	–	–	–	–	–	–	○	–	○	●	●	●
Haifa Al Mubarak	●	●	●	●	●	●	◆	◆	◆	◆	●	◆	◆	◆	◆	●	●	◆	●
Hassan Heikal[1]	◆	◆	●	●	●	–	–	–	–	–	–	–	–	–	–	–	–	–	–

* Where apologies were sent by a director, this was due to unavoidable circumstances preventing them from attending. Their views of the subjects to be discussed were obtained in advance and they received a debrief on the outcome of the meeting. This ensured that all Board and Committee members had an involvement and contribution to proceedings, even where they were unable to attend particular meetings personally.

1 Resigned from the Board on 4 September 2024.

Key

● Attended

○ Attended all or part of meeting as an invitee

◆ Apologies*

– Not on Board/Committee

Mansour Al Alami

Executive Chairman

Appointed to the Board

10 November 2020 as non-executive Chairman and appointed Executive Chairman 23 November 2020

N

Relevant Skills and Experience

Mansour Al Alami's career spans over 40 years in the MENA region and includes experience in the oil, gas and energy sector, construction, IT, transportation, finance and investment.

He served 15 years in various roles in ADCO, now ADNOC Onshore (the leading onshore producer within ADNOC Group), in the areas of drilling and production for upstream onshore operations, later becoming Head of Control & Planning. Mansour also has served in senior management positions in other companies including Reda Pump Libya, Al Bawardi Enterprises and EMDAD. He sits on the boards and committees of several Amman Stock Exchange-listed companies.

He brings relevant experience to GMS including extensive technical and commercial experience covering multi-national and multi-site operations in the oil & gas sector. He has successfully led businesses in the MENA region through phases of operational transition and financial restructuring and is using his industry knowledge and leadership skills to work with the Board to implement the Company's repositioning plan.

Mansour has a BSc in Chemical Engineering from Newcastle Upon Tyne University, UK.

Significant External Appointments

None.

Lord Anthony, St John of Bletso

Senior Independent non-executive Director

Appointed to the Board

26 May 2021

Appointed Senior Independent non-executive Director on 4 August 2023 (previously served on the Board as independent non-executive Director from 26 May 2021)

R A N

Relevant Skills and Experience

Anthony is a crossbench peer in the House of Lords. He has served on many Parliamentary Select Committees and is Vice Chairman of both the All-Party Parliamentary Africa Group and the All-Party South Africa Group.

As a practising lawyer by training, with his LLM in Maritime Law, he worked for Shell (South Africa) and then as an oil analyst and in specialist sales for several institutions in the City of London. Through his subsequent career he has held a number of executive and advisory roles in high-growth companies.

As well as his core business interests, his expertise extends to disruptive technologies, financial restructuring and corporate governance.

Anthony has a BA and a BScoSc in Psychology from Cape Town University, a BProc in Law from the University of South Africa, South Africa and an LLM from the London School of Economics, UK.

Significant External Appointments

Anthony is currently Non-Executive Chairman of Integrated Diagnostics Holdings, and a Non-Executive Director of Yellow Cake PLC and Strand Hanson Ltd. He is also a Trustee of a number of charities, with a strong focus on education and wildlife conservation.

Charbel El Khoury

Non-executive Director

Appointed to the Board

23 August 2021

N

Relevant Skills and Experience

Charbel El Khoury is Group CEO of Mazrui International LLC (Mazrui International), a UAE-based diversified investment company, with significant reach in the energy, industrial, real estate and trading sectors. Charbel guides Mazrui International's growth strategy, taking the lead role in its investments, operations, mergers and acquisitions, project finance and joint ventures. Mazrui International is affiliated with MZI Holding Limited a significant shareholder in GMS.

He started his career in prominent legal practices in Lebanon and the UAE before assuming the role of Chief Legal Officer at Mazrui International, where he was responsible for multiple jurisdictions and industry sectors.

Charbel has a bachelor's degree in International Law and Legal Studies, and a master's degree in Private Law, both from La Sagesse University, Lebanon. In 2021, he also successfully completed the Harvard Business School executive education program at Harvard University, USA. He holds an INSEAD Certificate in Corporate Governance IDBP-C.

Significant External Appointments

Charbel holds a number of board positions across international organisations in which Mazrui International has invested including, Depa PLC, Hilti Emirates, Carbon Holdings and Gulf Refining Company NV.

Jyrki Koskelo

Independent non-executive Director

Appointed to the Board

5 February 2021

A N R

Relevant Skills and Experience

Jyrki Koskelo currently serves as a Board member of Fibank (Bulgaria) and as a member of the Supervisory Board of Serengeti Energy (Sub-Saharan Africa). Jyrki also currently holds senior advisory positions for regional multilateral development banks. He held various senior positions (between 1987 to 2011) within the Washington-based International Finance Corporation (part of the World Bank Group and the largest global development institution focused on the private sector in developing countries). Jyrki has also previously been a Senior Advisor to the Al Jaber Group, a Board member of the African Banking Corporation, the African Development Corporation and Africa Agriculture and Trade Investment Fund (Luxembourg).

He brings extensive additional business advisory experience to the Board, having had a distinguished career in public and private finance, across multiple markets.

Jyrki has an MSc in Civil Engineering from Technical University, Helsinki, Finland, and an MBA in International Finance from MIT, Sloan School of Management, Boston, USA.

Significant External Appointments

Jyrki is currently a Non-Executive Director of First Investment Bank.

Haifa Al Mubarak

Independent non-executive Director

Appointed to the Board

11 October 2023

A N R

Relevant Skills and Experience

Haifa Al Mubarak is the CEO and Founder of Know How for Management Consulting & Training LLC., an organisation that specialises in delivering key learning initiatives for blue-chip clients across the region, helping them create a platform for developing the managers and leaders of tomorrow, through data-driven strategies having assessed over 8,000 UAE nationals.

She brings over 40 years' experience in the oil & gas sector and other related industries, having started her career at Abu Dhabi Company for Offshore Oil Operations in 1980 before subsequently joining Abu Dhabi Marine Operating Company.

Ms. Al Mubarak holds a BA in Psychology from the University of Denver, USA, and is a certified practitioner for NLP, Myers-Briggs EQ-I2.0 and EQ 360, as well as being a Psychometric Assessor.

Significant External Appointments

Haifa is CEO and Founder of Know How for Management, Consulting & Training LLC.

Key

A Audit Committee

N Nomination Committee

R Remuneration Committee

Chair

Dear Shareholders,

The primary role of our Board is to provide leadership to the Group, to establish and monitor the implementation of its strategy and, together with its Committees, to oversee controls, risk management, and senior remuneration.

The Board aims to ensure that the Group has the necessary human, financial, and other resources to maximise value for shareholders and other stakeholders over the long term. We consider the Board's role essential in maintaining the sustainable and ongoing growth the Group has achieved in recent years. Alongside management, the Board continues to develop the Group at both business and corporate levels, ensuring the interests of all shareholders and stakeholders are effectively addressed.

Board Membership

The Board regularly reviews its composition, and the qualifications, experience and balance of skills of the current Directors to ensure the right mix on the Board and its Committees, and that these are operating effectively and efficiently. The current Directors have a wide and appropriate range of skills and experience. They are from diverse backgrounds and based in several different countries, in Europe and in the MENA region. Their biographies can be found on pages 56 to 57.

The Board recognises the importance of diversity in the boardroom and throughout the business. It recognises this in its aim to recruit the best people who can add the most value to the Board.

Non-executive Directors and Independence

The non-executive Directors are a key source of expertise and contribute to the effectiveness of the Board. The non-executive Directors provide balanced judgement and constructive challenge as well as a broad range of skills and experience to the Board as a whole. The Board considers and reviews the independence of each non-executive Director identified as independent at least annually. In line with the Code, in carrying out the review, circumstances which are likely to impair or could appear to impair the independence of non-executive Directors are considered.

Consideration is also given to qualities such as character, judgement, commitment and performance on the Board and relevant committees, and the ability to provide objective challenge to management. Following a review by the Board, the Board concluded that each of non-executive Directors should be proposed for reappointment at the Company's upcoming AGM.

Haifa Al Mubarak, Jyrki Koskelo and Anthony St John are considered by the Board to be fully independent. Charbel El Khoury is considered to be a non-independent non-executive Director given his nomination by one of the Company's major shareholders even though he underwent a similar interview process as the independent non-executive Directors. During the year, our other non-independent Director, Hassan Heikal stepped down from the Board increasing the proportion of independent directors to three-quarters of the Board excluding the Chairman, in excess of the one-half minimum recommended by the Code.

Our independent non-executive Directors provide strong input to the Board to ensure it is well balanced, in addition to my own role as Executive Chairman. The Board believes this to be ample independent representation for the time being and will continue to keep the membership of the Board under review. As a group of Directors, including Charbel El Khoury, our ongoing Board brings strong relationships with key clients and banks, extensive experience in other companies in the MENA region, Europe and beyond and considerable sector, technical, financial and operational experience. In addition, the Board remains wholly committed to promoting the long-term sustainable success of the Group generating value for shareholders taking account of the interests of all stakeholders.

Division of Responsibilities

The Executive Chairman encourages a culture of openness and debate both within the Board's proceedings and when engaging with management. Part of this is the provision of management reporting and briefings to the Board with operational management presenting directly to the Board when appropriate.

As a Board, we operate in a collegiate manner by ensuring that each of the Directors is able to make an active contribution to the Board's decision-making and matters are fully debated before a decision is reached. Whilst the roles of Chairman and Chief Executive Officer are currently held by one individual, which is not consistent with one of the recommendations of the Code, the Board is fully satisfied that the debates within the Board along with its predominance of independent non-executive Directors ensure that there remains a division between the responsibilities of the Board and those of management.

Board of Directors

Responsible for the effective oversight of the Company and management of the Group.

Audit and Risk Committee

Monitors the integrity of the Group's financial statements, financial and regulatory compliance, and the systems of internal control and risk management. Reviews the effectiveness of the internal and external audit processes.

→ See pages 63 to 65 for the report of the Audit and Risk Committee.

Remuneration Committee

Determines the reward strategy for the Executive Chairman and Senior Management to attract and retain appropriate individuals and to align their interests with those of shareholders.

→ See pages 68 to 69 for the report of the Remuneration Committee.

Nomination Committee

Considers and recommends appointments to the Board taking into account the appropriate skills, knowledge and experience to operate effectively and to determine the Group's strategy.

→ See pages 66 to 67 for the report of the Nomination Committee.

Executive Management

Roles and Responsibilities of Directors

Division of responsibilities

- The roles of Chairman and CEO are held by the same person, as agreed by the Board. Whilst this is not in compliance with the recommendation for the division of responsibilities under the Code, the Board ensures enhanced oversight of the Executive Chairman in his dual roles through the appointment of the strong independent representation on the Board, led by the Senior Independent Director who also serves as non-executive director for workforce engagement.
- The Executive Chairman is responsible for the leadership and effectiveness of the Board, chairing Board meetings, ensuring that agendas are appropriate and is responsible for ensuring that all Directors actively contribute to the determination of the Group's strategy.
- The Executive Chairman is also responsible for the day-to-day management of the Group and implementing the Group's strategy, developing proposals for Board approval and ensuring that a regular dialogue with shareholders is maintained.
- The separation of authority between the Board and management is ensured by key decisions being referred to the Board and non-executive Directors including the Senior Independent Directors taking an active role in decision-making between, as well as at main Board meetings.
- The Senior Independent Director acts as a sounding board and confidante to the Executive Chairman and is available to shareholders.
- The non-executive Directors are primarily responsible for constructively challenging all recommendations presented to the Board, where appropriate, based on their broad experience and individual expertise.

Summary of individual responsibilities

Executive Chairman – Board responsibilities*

- Providing strategic insight from wide-ranging business experience and contacts built up over many years.
- Ensuring that the Board plays a full and constructive role in the determination and development of the Group's strategy.
- Agreeing subjects for particular consideration by the Board during the year at Board meetings, ensuring that adequate time is available to discuss all agenda items.
- Leading the Board in an ethical manner and promoting effective relations between the non-executive Directors and Senior Management.
- Building a well-balanced Board, considering Board composition and Board succession planning.
- Overseeing the annual Board evaluation process and acting on its results.

Executive Chairman – Management responsibilities*

- Representing the Group to its shareholders and other stakeholders such as its clients and suppliers, and the general industry.
- Leading the business and the rest of the management team and ensuring effective implementation of the Board's decisions.
- Driving the successful and efficient achievement of the Group's Key Performance Indicators KPIs and objectives.
- Leading the development of the Group's strategy with input from the rest of the Board.
- Working with the other Board members in agreeing subjects for particular consideration by the Board during the year.
- Providing strong and coherent leadership of the Company and effectively communicating the Company's culture, values and behaviours internally and externally.

Senior Independent Non-Executive Director

- Acting as a sounding board for the Executive Chairman.
- Available to shareholders (and contactable via the Company Secretary) if they have concerns on matters that cannot be addressed through normal channels.
- Ensuring a balanced understanding of major shareholder issues and concerns.
- Meeting with the other non-executive Directors without the Executive Chairman present, at least annually, in order to help appraise the Executive Chairman's performance.
- Serving as an intermediary for the other Directors and the Executive Chairman if necessary.
- Provides an independent voice on the Board along with the other independent non-executive Directors.

Company Secretary

- Secretary to the Board and each of its Committees.
- Assisting in the administration of the Board and its Committees helping to ensure that Board papers are clear, timely and sufficient to enable the Board to discharge its duties effectively.
- Providing advice to the Board and each of its Committees regarding governance matters.

* Non-executive Directors can meet independently of the Chairman to consider matters as appropriate. Any such matters can then be discussed with, and addressed by, the Board as a whole. This process is working well in confirming that no significant issues are arising from the combination of the roles of Chairman and Chief Executive.

This is ensured through non-executive Directors devoting adequate time to meet their Board responsibilities both at and between formal Board meetings, as well as providing constructive challenge and strategic guidance to both encourage and hold management to account.

The combination of the roles of Chairman and Chief Executive continues to be kept under review in the context of ongoing succession planning and the Board intends the roles will be split once a stage is reached when the Board considers it would be appropriate with an appropriate successor in place.

The Board receives assistance from an experienced UK-based Company Secretary, who provides support to the Board and Committee Charmen in enabling the appropriate policies, processes, information, time and resources to be provided for the Board and Committees to function efficiently and effectively.

How the Board Operates

The roles of the Board and its Committees

The Board determines both the strategic direction and governance structure for the Group to help achieve its continued success on an ongoing basis, in turn, to maximise shareholder value. As well as strategy and governance in general, the Board takes the lead in overseeing areas such as financial policy, annual budgeting, risk management and the overall system of internal controls. A summary of some of the Board's key responsibilities is set out in written matters reserved for the Board.

For certain responsibilities, the Board is assisted by its Committees which carry out specific tasks on its behalf, so that it can operate efficiently and give the right level of attention and consideration to relevant matters. The composition and role of each Committee is summarised on page 58 and their full Terms of Reference are available on the Company's website.

Board Calendar for principal meetings in 2024

Main agenda items reviewed and discussed at each principal meeting

1. ESG matters, including health, safety and the environment and climate change considerations

2. Fleet performance and operational matters

3. Discussions regarding financing arrangements

4. Competitive landscape, market and e business development opportunities

5. Consideration of provisions of Section 172 of the Companies Act 2006 for the Directors of the Company

Review of reports from Board Committees as relevant

- Legal and corporate governance matters
- Investor relations and feedback
- Finance, accounting and taxation matters
- Human resources
- Risk management and key risks facing the Group
- Trading and forecast updates

Specific items reviewed and discussed at individual meetings:

February

- Review and discussion of the 2022–2025 business plan
- Review of 2023 financial results and 2024 forecast including planned debt repayment and expected cash flows
- Discussion on refinancing and update on meetings with various financial institutions
- Evaluation of strategic considerations in relation to the Group
- Status and plans for approval of annual results
- Report of the Audit and Risk; Remuneration and Nomination Committee meetings

March

- Further evaluation of strategic considerations in relation to the Group
- Review and discussion of the Board evaluation
- Status and agreement plans for approval of annual results
- Report from the Audit and Risk; Remuneration; and Nomination Committee meetings
- Plans for the annual report and Annual General Meeting (AGM)
- Discussions and plans for warrant exercises
- Remuneration matters for non-executive Directors

June (two-day meeting in Group Abu Dhabi offices)

- Meetings with and presentations from senior management
- Strategic discussions and market update
- Discussion of business development opportunities
- Update on employee engagement within the Group
- Information technology and digitalisation project update
- Update on investor relations roadshow and feedback from current and potential investors
- Update on full year 2024 forecast and utilisation
- Update on discussions with the lender banks and other capital considerations
- Consideration of dividend policy
- Changes to the UK Corporate Governance Code and implementation timeline
- Report of the Audit and Risk, Remuneration and Nomination Committee meetings

September

- Discussing directorate change and shareholder update
- Review and approval of half-year results and 2024 forecast
- Operational review of the Group
- Update on refinance, tax and key accounting matters
- Review and discussion of regional markets and business development
- Business continuity plans for the Group
- Report of the Remuneration Committee meeting

November (two-day meeting in Group Abu Dhabi offices)

- Meetings with and presentations from senior management
- Strategy discussions
- Review ESG including climate-related matters
- Update on business development
- Update on employee engagement within the Group including Board members meeting with the employees
- Update on Information technology and digitalisation project
- Review of Q3 2024 financial performance and full year 2024 forecast
- Update on completion of formalities of debt refinancing
- Review of Investor Relations activities and analysts' views of the Group
- Reports of the Audit and Risk, Remuneration and Nomination Committee meetings
- Plans for Board evaluation and 2025 meetings

December

- 2024 full year forecast
- Discussion and approval of the budget for 2025
- Review of financing arrangements

The Board Processes

The Board, led by the Executive Chairman with input from the independent non-executive Directors and assistance from the Company Secretary, has designed processes to maximise Board performance. Key aspects of these are summarised below:

- The Chairman and the Company Secretary agree the overall calendar for Board discussions during the year.
- Board meetings are scheduled to ensure adequate time for open discussion of each agenda item allowing for questions, scrutiny, constructive challenge and full debates on key matters for decisions to be taken by consensus though any dissenting views would be minuted accordingly.
- Board meetings generally take place at the Group's Abu Dhabi office with some or all Directors attending by video.
- The development of the Group strategy is led by the Executive Chairman, with input, challenge, examination and ongoing testing and review by the non-executive Directors.
- Members of the Senior Management team draw on the collective experience of the Board, including its non- executive Directors.
- Reporting packs, which are designed to be clear, accurate and analytical, are distributed in advance of main Board meetings, with sufficient time for their review, consideration and clarification or amplification of reports in advance of the meeting.
- Once goals have been set and actions agreed, the Board receives regular reports on their implementation.
- Management reports with commentary and analysis are distributed to the Board on a regular basis.
- The Board reviews the Group's risk register and challenges it where appropriate.
- All Directors have open access to the Group's key advisers, management and the Company Secretary, and are also entitled to seek independent professional advice at the Group's expense if appropriate.

Director Induction and Training

As part of the Board evaluation, the training needs of the Directors are reviewed. The Board and its Committees receive briefings on matters of importance, including corporate governance developments.

For any newly appointed Directors, arrangements are in place for an induction designed to develop their knowledge and understanding of the Group. The induction includes briefing sessions, visits to the Company's Head Office, meetings with members of the wider management team and discussions on relevant business issues. Each of the current Directors has received briefings as well as undertaken induction and training sessions tailored to their individual and general requirements, including presentations by the Company Secretary and/or the Company's legal advisors, where appropriate.

Reappointment of Directors

Following the Board evaluation and recommendations from the Nomination Committee, the Board considers that all Directors continue to be effective, have the required skills, knowledge and experience, are committed to their roles and have sufficient time available to perform their duties. In accordance with the provisions of the Code. All of the Directors are being proposed for re-appointment at the Company's 2025 AGM as set out in the Notice of AGM sent to shareholders.

Conflicts of Interest

Directors have a statutory duty to avoid situations in which they have or may have interests that conflict with those of the Company, unless that conflict is first authorised by the Directors. This includes potential conflicts that may arise when a Director takes up a position with another company. The Company's Articles of Association allow the other Directors to authorise such potential conflicts where they arise, and a procedure including an information protocol are in place to deal with any actual or potential conflicts of interest. The Board deals with each actual or potential conflict of interest on its individual merit and takes into consideration all the circumstances.

Any potential conflicts approved by the Board are recorded in an Interests Register, which is reviewed by the Board at the beginning of each principal Board meeting to ensure that the procedure is operating at maximum effectiveness.

* Non-executive Directors can meet independently of the Chairman to consider matters as appropriate. Any such matters can then be discussed with, and addressed by, the Board as a whole. This process is working well in confirming that no significant issues are arising from the combination of the roles of Chairman and Chief Executive.

Board Evaluation and Effectiveness

The effectiveness with which our Board and its Committees operate is critical to their success of in achieving our aims. We believe that these evaluations can provide a valuable opportunity to highlight recognised strengths and identify any areas for development. The Board conducted a review of its performance during the past year.

A summary of the internal evaluation undertaken by the Board is included in the Nomination Committee Report on page 67. The Company is not currently required to conduct an externally facilitated Board evaluation in terms of the Code although the Board will keep this matter under review as the Group develops.

Engagement with Shareholders and Other Stakeholders

The Executive Chairman, along with the Chief Financial Officer, is responsible for shareholder relations, ensuring that there is effective communication with shareholders on matters such as performance, governance and strategy. Also available to any shareholder with questions on matters that cannot be addressed through the usual methods is the Senior Independent Director. The Senior Independent Director can be contacted through the Company Secretary. The Committee Chairs are also available to shareholders and consult with shareholders, where appropriate, in respect of significant areas which come within their Committee's remit.

A combination of presentations, group calls and one-to-one meetings is arranged as part of our investor relations programme to discuss the Group's half-year and full-year results with current and prospective institutional shareholders and analysts. Additional meetings are also held in the intervening periods to brief existing and prospective investors on the business.

Comprehensive information on our business activities and financial developments and regulatory news announcements is included on the Investor section of the Company's website for shareholders and other stakeholders.

Annual General Meeting ('AGM')

Notice of the 2025 AGM will be issued to shareholders and available on the Company's website.

Mansour Al Alami

Executive Chairman
8 April 2025

Dear Shareholders,

On behalf of the Audit and Risk Committee (the Committee), I am delighted to present our report discussing the Committee's roles and responsibilities and our activities during 2024.

Our focus remains on ensuring the robustness of both the internal and external audit processes, safeguarding the integrity of the Group's financial reporting, enhancing the effectiveness of its risk management framework, and addressing other key governance matters. These critical areas underpin the successful operation of the Group's business and are pivotal to the achievement of the Group's strategy in a sustainable and well-managed manner.

Membership

The Committee is composed of three independent non-executive Directors. This year marks the fourth year of service for both Lord Anthony St John of Bletso and myself, while Haifa Al Mubarak embarks on her second year with the Committee, having joined in October 2023 following the retirement of Rashed Al Jarwan.

All members of the Committee are independent non-executive Directors, bringing a diverse range of expertise that enables us to fulfil our responsibilities effectively. This composition aligns with the UK Corporate Governance Code (the Code), which requires that the Committee be composed exclusively of independent non-executive Directors. For more details on the backgrounds of our Committee members, please refer to their biographies on pages 56 to 57.

Throughout the year, the Committee worked closely with management to examine key areas of judgement and internal reporting. We also held several discussions with external auditors to ensure thorough oversight and alignment.

Meetings

The Committee played a crucial role in governance, assisting the Board in overseeing financial reporting, internal controls, and risk management. During 2024, the Committee met four times, with agendas aligned to key events in the Group's financial calendar and other significant matters within its scope. The Committee consistently updates the Board on its activities and how it has fulfilled its responsibilities. The Company Secretary also serves as the Committee Secretary. For details of member attendance at meetings throughout the year, please refer to page 54.

The Committee's Terms of Reference, which are publicly available on the Group's website, encompass all requirements outlined in the Code and are reviewed annually.

The Committee is provided with reports from external advisers and Senior Management team as required, to support its responsibilities and gain a more comprehensive understanding of specific business issues. The finance team regularly participates in meetings, and the Executive Chairman of the Board is occasionally invited. Both internal and external auditors join meetings and present when necessary. The external auditor is sent copies of all pertinent Committee documents, including those discussed at meetings in their absence, along with the minutes of every Committee session.

Main activities

The following sections provide more in-depth insight into our specific endeavours under each of these headings, outlining the actions we, as a Committee, have taken and the outcomes of our efforts.

A) Financial reporting

Our primary responsibilities involve advising the Board on whether the Annual Report and Accounts are fair, balanced, and understandable and provide shareholders with the information necessary to evaluate the Company and Group's position, performance, business model and strategy.

Significant Issues

The Committee specifically focuses on matters it considers important based on their potential impact on the Group's results, or based on the level of complexity, judgement or estimation involved in their application. For 2024 and up to the date of this report, we considered all significant matters that could be material to the Group's results for the year and closing balance sheet position.

The Committee was satisfied with the management's judgements and that appropriate disclosures have been included in the 31 December 2024 consolidated financial statements. The ultimate responsibility for reviewing and approving the Annual Reports and the half-yearly reports remains with the Board. The Committee gives due consideration to laws and regulations, the provisions of the Code, and the requirements of the Listing Rules where relevant and provides its recommendations on the reports to the Board.

Current year key items

Area of Focus and Issue	How Addressed and Conclusion
Impairment/reversal of impairment of property, plant and equipment IAS 36 requires that a review for impairment or reversal of impairment be carried out if events or changes in circumstances indicate that the carrying amount of an asset is materially different to its recoverable amount. Expected utilisation levels, day rates, current backlog and the Group's weighted average cost of capital may also impact the value in use of vessels. Impairment and reversal of impairment assessments are judgemental and careful consideration of the assumptions used in the determination of the value in use of the assets is required.	The Committee evaluated management's approach in determining the recoverable value of the Group's vessels. The Committee evaluated the validity of the assumptions and variations considered in computing the vessels' value in use. The feasibility of the long-term business plan and the suitability of the weighted average cost of capital, which served as key inputs for determining the discount rate, were considered. Discussions were held with the external auditor, and the Committee assessed the audit testing procedures conducted. After examining management's assumptions, the Committee concurred with the recognition of a reversal of impairment of US$ 18.6 million and an additional impairment charge of US$ 9.4 million on some of the vessels. The Committee evaluated the Group's internal controls regarding impairment, primarily focusing on the identification and resolution of accounting judgement issues, as well as the quality and timeliness of documents analysing the Group's position on such judgements. The Committee scrutinised and challenged the impairment calculations prepared by management and made sure that there was a rigorous evaluation of internal controls to evaluate the precision of assumptions and identification of areas requiring enhancement. Additionally, the Committee assessed the extent of assistance necessary from valuation experts to endorse key judgements and calculations linked with accounting estimates established by management.

B) Internal control and risk management

The Group's robust internal control framework, including risk management processes, is strategically aligned to achieve its business goals and ensure accuracy of its financial reporting. While designed to effectively manage risks, no system can completely eliminate all potential for error or loss. Therefore, the Group's internal controls provide reasonable assurance against material misstatement or significant losses.

Throughout the year, the Board diligently assessed both significant and emerging risks impacting the Group. Following the successful refinancing of bank debt during 2024, the risk of inadequate capital structure was no longer considered a primary concern. The Board is actively supported by the Committee, which regularly reviews the risk heatmap and associated controls to proactively identify and mitigate potential risks.

The Committee has also reviewed the effectiveness of the Group's financial controls and the financial reporting process, which is principally assessed in relation to the timely identification and resolution of areas of accounting judgement, and the quality and timeliness of papers analysing those judgements. The Committee reviewed control deficiencies identified during the prior year end and are satisfied management have improved majority of areas where control deficiencies were identified. Where there are areas for further improvement, management continues to address these and communicate these matters with the Committee.

The Group has used a number of experts to support judgements and calculations associated with complex accounting treatment.

In its review of the 2024 year-end external audit findings, the Committee noted areas for improvement in control effectiveness, specifically within impairment and revenue processes. While enhanced controls were implemented during 2024, the Committee recognises the need for further enhancements. Consequently, the Audit and Risk Committee has planned an in-depth review of internal controls in 2025 to identify and address these areas for improvement.

The Committee concluded that, aside from the aforementioned control areas, GMS' system of operational and financial internal control, encompassing risk management, remains effective in supporting day-to-day operations.

C) Internal audit

In 2021, Baker Tilly were appointed as the Group's internal auditors after a competitive tendering process that involved other reputable professional services firms. The Committee was satisfied with the quality, experience and expertise of Baker Tilly's internal audit practice and their knowledge of the industry and region in which the Group operates.

In the first half of 2024, the internal auditors issued reports on audits of Human Resources (HR) and Information Technology (IT) conducted primarily in 2023. While these audits identified some control weaknesses, their overall impact was assessed as insignificant.

Findings and recommendations to address any gaps between current practices and industry best practices were communicated to the Committee.

Subsequently, the internal auditors were engaged to audit the Business Development and Procurement functions during the latter part of 2024. These audits were also completed and reported. While some control weaknesses were identified, they did not pose a material risk to the Group. Findings and recommendations were communicated to the Committee.

GMS remains dedicated to strengthening its internal controls framework, and the Audit and Risk Committee continues to play an instrumental role in ensuring that robust risk management practices are applied consistently across all levels of the organisation.

D) External audit

The Committee, on behalf of the Board, is responsible for the relationship with the external auditors. KPMG Ireland were appointed as the Group's auditors in 2022, following a competitive tender process. The Committee considers formally the reappointment of the Group's external auditor each year, as well as assessing the independence of the incumbent auditor on an ongoing basis.

The external auditors provide detailed reports to the Committee on their audit strategy, scope and findings. There is regular and open communication between the Committee, external auditors and management.

The Committee reviews and discusses the external audit strategy, as well as the auditors' evaluations of management's proposed treatment of significant transactions and accounting judgements, actively inviting challenge and thoroughly considering the external auditors' feedback.

During the financial year, the Company has complied with the mandatory audit processes and the Committee has complied with the provisions set out in the Competition and Markets Statutory Audit Services Order 2014. In accordance with UK regulations and to help ensure independence, our external auditor adheres to a rotation policy based on the Financial Reporting Council's (FRC's) Ethical Standard that requires the Group audit partner to rotate every five years.

Provision of audit and non-audit services

The Committee is responsible for approving the terms of engagement and remuneration of the external auditors and has approved KPMG's terms of engagement and level of fees for 2024. To preserve the external auditor's impartiality and autonomy, the Committee mandates specific approval for any non-audit services valued over US$ 50,000. In the unlikely scenario where the cumulative total of non-audit services exceeds 70% of the overall Group audit fee in a fiscal year, the provision of additional non-audit services by the external auditor will be considered exceptional and necessitate prior approval from the Committee. The Committee must ascertain that the external auditor's independence and impartiality will not be compromised in any manner when performing such non-audit services.

Total audit fees for 2024 were US$ 810,000 (2023: US$ 750,000). The total non-audit services provided by the Group's external auditors for the year ended 31 December 2024 were US$ 150,000 (2023: US$ 150,000) which comprised 18% (2023: 20%) of total audit and non-audit fees.

The non-audit fee was incurred in relation to the interim review. In 2024, the Group also paid US$ 59,600 in out-of-pocket expenses for the 2023 external audit, while in 2023, it spent US$ 177,000 on audit overruns and out-of-pocket expenses related to the 2022 external audit. The Committee has confirmed that KPMG's provision of non-audit services during the current year has not compromised the external auditor's objectivity and independence. Note 34 to the consolidated financial statements provides additional information on the remuneration paid to the external auditor for both audit and non-audit services.

Audit and Risk Committee effectiveness review

The effectiveness of the Audit and Risk Committee was reviewed as part of the Board evaluation commented on page 62.

Ethical conduct and compliance

Our Whistleblowing Policy encourages all employees to report any suspected improprieties related to the Group's activities. The Group provides a confidential whistleblowing hotline that is managed externally, and all reports are communicated to the Committee. During the year, there were no instances of whistleblowing that fell within the scope of the Group's policy. The Committee is confident that the Group has established suitable measures for the independent investigation of potential improprieties and for taking appropriate follow-up action. Our internal audit team or other third-party specialists may be engaged to investigate any issues, and we will be informed of the outcomes.

As part of the Group induction process, Code of Conduct training is mandatory for all new employees who join the Group.

The Group has a comprehensive set of anti-corruption and bribery policies in place. We are satisfied that we have implemented appropriate policies and training to ensure that the Group complies with relevant laws and upholds our high ethical standards in business conduct.

In November 2024, members of the Board met the employees in Abu Dhabi, engaging in discussions to gain valuable insights into their experiences and perspectives. The visit included a dinner, fostering open dialogue and supporting the Group's commitment to a strong and transparent company culture.

Jyrki Koskelo

Audit and Risk Committee Chairman
8 April 2025

Dear Shareholders,

I am pleased to present the report of the Nomination Committee (the "Committee"), which summarises our activities during the past year. The Committee met three times during the year to consider matters within our areas of responsibility.

The Committee recommends appointments to the Board after considering the existing balance of skills, knowledge, diversity, independence and experience among current members. Recommendations are based on the merits and capabilities of the candidate, as well as the time they can dedicate to the role, to ensure the promotion of the Company's success. The Committee also has a continuous and proactive approach to succession planning for the Board and Senior Management. Our role is also to align the Board composition with the Group's culture, values and strategy.

Membership

Currently, the Committee comprises five members which includes three independent non-executive Directors, Haifa Al Mubarak, Jyrki Koskelo and Anthony St John, our non-independent non-executive Director, Charbel El Khoury, and myself (Mansour Al Alami) as Chairman of the Committee.

This composition is in compliance with the 2018 UK Corporate Governance Code (the Code) which provides that independent non-executive Directors should comprise the majority of the Committee. It also complies with the updates to the Code taking effect for the Company in 2025.

Key Responsibilities

The Nomination Committee's responsibilities include:

- regularly reviewing the composition, structure, independence and size of the Board and its Committees;
- evaluating the balance of skills, knowledge, experience, personal attributes and diversity on the Board of Directors;
- reviewing succession planning for the Board and Senior Management; and
- leading the process for Board appointments and making recommendations to the Board in respect of new appointments.

Board

The Board comprises five Directors, including the Chairman, three independent non-executive Directors and one Director nominated by the Company's largest shareholder who was appointed to the Board after a formal process which would apply to any director. Each has particular knowledge, skills and experience relevant to the Group's business and therefore is especially valuable to Board debates. The Board believes this achieves the appropriate balance in its membership with more than half of the Board being considered fully independent.

One of the pivotal considerations on any appointment to the Board relates to diversity. The Nomination Committee takes an active role in setting and meeting diversity objectives and strategies for the Company as a whole. The Board's policy is to continue to seek and encourage diversity within long and short lists, including with regard to gender, as part of the overall selection process for non-executive Director roles. Each Director brings a wealth of skills, knowledge and experience which together enable the Board to provide effective leadership to the Company. Consolidating the Directors' strong relationships with key stakeholders as well as their extensive sector and market knowledge and experience is beneficial to the maximisation of the performance of the Board including in determining of the future direction and growth of the business. Further details of the Directors' backgrounds are included in their biographies on pages 56 to 57.

Another director nominated by a shareholder, Hassan Heikal, stepped down from the Board during the year. This had the effect of increasing the proportion of independent directors on the Board. While there is therefore no need to replace Mr Heikal on the Board, the Committee will keep under review the future requirements of the Company as part of its ongoing aim to ensure its membership is aligned with its future strategy.

Workforce Engagement

Lord Anthony St John of Bletso is the non-executive Director nominated to oversee the workforce engagement by the Board. Lord Anthony has a wealth of experience and expertise in this area. As part of his initiatives in workforce engagement Director role, Lord Anthony led the Board as a whole in interactive sessions with onshore staff to better understand progress and any issues directly from the employee perspective. This was combined with an offsite event celebrating the collective wins by the Group in 2024. During this event, long-service employees were recognised with awards for 10, 15 and 20 years of service. An employee engagement survey was also completed covering several areas including, culture, environment, remuneration, individual roles and development within the Company. The results of surveys were reported to and discussed by the Board as part of their ongoing considerations around the workforce.

Reappointment of Directors

All the Directors being proposed for reappointment attended meetings they were scheduled to attend unless unavoidably prevented from doing so. They all devote sufficient time to their duties. The evaluation also confirmed that the roles of the Directors in other companies in no way impede their roles within the Company. Indeed, each demonstrates great enthusiasm as well as commitment to their roles.

The biographical details of Directors can be found on pages 56 to 57. All of the Company's Directors will stand for re-appointment at the 2025 AGM. The terms of appointment of the Directors are available for inspection at the Company's registered office and at the venue of the Company's AGM during that meeting.

Diversity

The Company is committed to a culture that promotes diversity, including gender diversity, and to achieving a working environment that provides equality of opportunity on the Board. This forms the basis of the Group's diversity policy under which diversity is monitored and reported to the Board in order to ensure it is maintained and developed over time. As an international maritime business, the Board is pleased to recognise the existing diversity of nationality as well as gender within the Group as part of its core strategy and will continue to monitor improvements in the this on an ongoing basis.

Board and Committee Performance Review

As in prior years, an internally facilitated performance review of the Board, its Committees, individual Directors and the Executive Chairman was conducted. The evaluation followed the process set out below:

Questionnaire

Directors completed a questionnaire on a confidential basis. The questionnaire was structured to provide Directors with an opportunity to express their views on a range of matters including:

- Strategy and risk;
- Board effectiveness and operation;
- Shareholder and Stakeholder Relations;
- Effectiveness of the Board and each of its Committees;
- Executive Chairman's effectiveness;
- Director effectiveness and independence; and
- Other general observations.

Results

The results of the performance review were collectively reviewed by the Board and conclusions drawn from this. The showed positive results overall and identified areas where further enhancement was possible. The Board has concluded that the performance of each of the Directors standing for re-appointment continues to be effective and demonstrates a commitment to their roles. The Board has also concluded that its increased focus on longer term strategy should continue, including at a further strategy meeting later in the year informed by both internal and external input on current and likely future industry developments; as well as continuing to progress the Group's business on an ongoing basis with the support of its standing Committees in their areas of responsibility.

Chairman Review

The performance of the Executive Chairman was evaluated by the non-executive Directors. The evaluation was led by the Senior Independent Director and was concluded to be satisfactory. The Senior Independent provided relevant feedback to the Executive Chairman.

This approach to diversity at a Board level is part of the Group's approach to diversity and inclusion which are key objectives in the Company strategy as an international maritime business. This policy is consistently implemented in recruitments to the business resulting in a wide range of nationalities, backgrounds, and other aspects of diversity in the workforce. As a continuation of our merit-based approach, the Board intends to work towards further gender diversity in future Board appointments. In the meantime, 20% of the individuals on the Board are women and 20% of other members of senior management are women. With the most recent appointment to the Board being a woman, the Board is progressing towards the target of 40% of female representation. However, achieving this goal will require additional Board appointments, which will be made over time. Whilst this has not been possible to date due to the membership of the Board, the Board aims to meet its targets for gender diversity, as set in the UK Listing Rules, in the future. For the purposes of this disclosure, 31st December 2024 has been used as the reference date. Individuals on the Board and in its executive management are situated overseas where Data Protection laws restrict the collection and publication of certain data. In addition, the Group embraces ethnic diversity within the Board and the business as part of its normal operation and believes that drawing distinctions between individuals based on ethnicity would work against the ethos it actively pursues and delivers on.

The Company accordingly does not disclose the ethnicity of such individuals. It can though confirm that at least one of the Directors is from what the Financial Conduct Authority's UK Listing Rules describe as a 'minority ethnic background', though as an international company with Board members each from different countries in several regions, that is not a term which we would otherwise use.

The Board also continues to be diverse in terms of background and international experience of its members. The Board has a broad range of experience and expertise covering relevant technical, operational, financial, governance, legal and commercial expertise, as well as the valuable experience of operating in the energy industry and on an international basis.

The ESG section on pages 44 to 46 provides further information on the Group's workforce.

Succession Planning

The Committee recognises the importance of ensuring business continuity through the ongoing development of the depth of the management team, including the operational aspects and business development.

Succession planning for Senior Management across the Group is reviewed to enable, encourage and facilitate the development of individuals, including internal career progression opportunities as they arise.

As a practical matter, given the size of the Company, the Committee recognises that successors for some posts may be sourced from external hires although it prioritises talent development to enable people in the business to maximise their potential.

In addition to serving as Committee Chairman, I also hold the role of Executive Chairman of the Group. The other members of the Nomination Committee have requested that I continue in the Executive Chairman position to support talent development and succession planning within the Group to help facilitate to split of the Chairman and CEO roles in the future.

Good progress has been made on talent development and succession planning in 2024, and we look forward to reporting next year on further progress and on our other planned activities for the coming year.

Mansour Al Alami

Nomination Committee Chairman

8 April 2025

Dear Shareholders,

The Board believes that retaining and rewarding the Group's Executive and Senior Management team is critically important to the Group achieving and sustaining its strategic objectives in medium and long term.

One of the main roles of the Remuneration Committee is to set the strategy, structure and levels of remuneration of our Executive Chairman and Senior Management team. The Committee also reviews remuneration in the Group more generally providing guidance to management and taking this into account when setting executive remuneration. We do this in the context of the Group's strategy and goals to drive their achievement using internal measures taking account of comparatives within the Group and in comparable companies. The Committee recognises that it has an important role to play in responding to challenges of talent shortages and the changing requirements of the various governments and jurisdictions the Group and its vessels operate in.

I am pleased to present our Directors' Remuneration Report for the year ended 31 December 2024. On the Committee with me are Jyrki Koskelo and Haifa Al Mubarak, both our other independent non-executive Directors. Mansour Al Alami and Charbel El Khoury also attend Remuneration Committee meetings on invitation although, of course, Mansour Al Alami does not participate in any decisions in relation to his own remuneration. The Committee meets during the year when appropriate to consider either executive or wider Group remuneration.

This report covers the work of the Committee during the year. The Company is required to put the Directors' Remuneration Policy to a binding shareholder vote every three years and this was done at the 2024 Annual General Meeting (AGM). We are grateful of the support of shareholders for this and have continued to implement this accordingly. This year we seek approval of shareholders of the report on its implementation on an advisory basis and I trust shareholders will again be able to support this.

In addition, at this year's AGM, approval is being sought for the renewal of the Group's long-term incentive plan (LTIP). This is broadly in line with the LTIP previously approved by shareholders and will be summarised more fully in the circular to shareholders in connection with the AGM. The Committee intends to issue the first awards under this renewed LTIP following its approval by shareholders.

The Committee has continued to progress matters in respect of remuneration in line with the Policy previously approved by shareholders, with a focus on creating appropriate performance parameters as well as structures.

In this report, we have set out key events that occurred in the past year along with the rationale for actions taken and planned to be taken.

Executive Chairman

a) Salary

From his appointment as Executive Chairman is 2020 until 2024, Mansour Al Alami's salary remained at its original below-market rate as he eschewed any increases until he had achieved the successful turnaround of the business. That turnaround having been achieved, he accepted a salary increase, for the first time, of 7% with effect from 1 January 2024. With effect from 1 January 2025, Mr Al Alami has accepted an increase in salary of 6%, from AED 1,646,100 to AED 1,744,866 , which is in line with the average cost of living increases being awarded to onshore staff across the Group. The Executive Chairman's salary, having only been increased twice since his appointment in 2020, remains relatively low in relation to market comparatives in similar companies for the roles he fulfils, particularly in the context of the vast experience he brings. The Committee recognises and is grateful for the restraint Mr Al Alami continues to exercise in relation to his salary while it seeks to ensure his work and achievements are fairly recognised through the variable elements of his remuneration set out below.

b) Annual Bonus

Annual Bonus targets are set based on metrics aligned with the implementation of the Group's strategy.

The maximum annual bonus potential for Mansour Al Alami in 2024 was 120% of salary. The maximum potential for 2025 is to continue at 120% of salary in line with the current remuneration policy (not utilising the full capacity of up to 150% of salary available for exceptional circumstances). This has allowed inclusion of key strategic targets and important personal objectives in addition to financial targets, as well as reflecting the improved performance of the Group.

For 2024, the annual bonus was payable based on the following measures:

Financial targets

- 25% weighting on EBITDA;
- 5% weighting on EBITDA margin;
- 20% weighting on securing contracts for 2024 Revenues;
- 10% weighting on securing contracts for 2025 Revenues; and
- 20% weighting on achieving target leverage;

Strategic targets

- 15% weighting on financing target;
- 5% on strategic partnership target;

Personal objectives

- 10% on capital market development objectives; and
- 10% on management talent development and succession planning objectives.

The outcome of these measures, detailed on page 79 result in a payment of a bonus of 117.49% of the maximum 120% of salary which reflects the excellent performance of the Group generally as well as against the bonus targets in particular. Of this amount 17.49% is to be deferred into share awards for up to two years under the terms of the Directors' Remuneration Policy.

For 2025, the annual bonus of the Executive Chairman is intended to be payable for the following measures (expressed as a percentage of salary):

Financial targets

- 25% weighting on EBITDA;
- 15% weighting on EBITDA margin;
- 20% weighting on securing contracts for 2026 Revenues;
- 10% weighting on securing contracts for 2027 Revenues;
- 20% weighting on achieving target leverage subject to Committee-approved capital allocation adjustments;

Strategic target

- 10% weighting on business development targets;

Personal objectives

- 10% weighting on share register development objectives; and
- 10% weighting on organisational and people development objectives.

These measures are subject to an over-riding discretion to vary outcomes if a payment is not justified by overall performance and developments in the Group.

c) Long Term Incentive Plan (LTIP)

As mentioned earlier, shareholders will be asked at the AGM to approve renewal of the Company's LTIP. Awards to management under LTIP are planned to follow this approval. This will be the first award since the appointment of the Executive Chairman since 2020 other than the award in 2022, which lapsed when the management instead prioritised the deleveraging of the Group. For the award to the Executive Chairman this year, in effect the first since he was appointed in 2020, the award is planned to represent 200% of salary in line with the Directors' remuneration policy approved by shareholders. The Committee considers that LTIP awards can now form an effective incentive for senior management generally in generating value for shareholders over the long term.

Having carefully considered the appropriate performance conditions for these awards this year, the Committee has concluded that relative total shareholder return (TSR) measured over three years commencing with 2025 against two different comparative groups of companies will most appropriately aligns these awards with the interests of shareholders. TSR measures the value generated for shareholders in terms of share price movements and any dividends and this is then compared to the performance of the other constituents of the comparator group. The first of these groups is to be formed by the constituents of the FTSE SmallCap index of which the Company is a member. The second is a group of internationally listed industry companies selected with the assistance of the Company's brokers. The Committee believes the combination of these comparative groups will align long-term management incentives with the long-term interests of shareholders both on the London market and in the industry internationally. The Committee also considered including a profit target in the performance measures as it normally would though, due to the challenge of setting such a target that built in the appropriate challenge over the course of the next three-years, concluded that this would be inappropriate for 2025. The Committee will though keep this under review for next year.

The LTIP awards will only normally vest after three years in so far as the performance conditions have been achieved.

d) Non-Executive Director Fees

Following the first increase in rates since 2014 last year, the non-executive Director fees are being maintained in 2025 at the same levels as in 2024 with the base fee of £55,000 applying to all non-executive directors and committee fees only in relation to the Audit and Risk and Remuneration Committees as set out on page 82. These are determined by the Board without non-executive Directors participating in decisions regarding their own remuneration.

Conclusion

I would like to thank Jyrki Koskelo and Haifa Al Mubarak for their input to the extensive work undertaken by the Committee over the past year. I believe that the remuneration arrangements in the Group continues to stand us in good stead for the coming year and into the future. We are grateful for the support shareholders have shown as we continue to strive to increase shareholder value and further stakeholder interests alike. I would also like to thank Mansour Al Alami for his work during the year and for the performance achieved.

Following this letter are the detailed Directors' Remuneration Report and a copy of the Directors' Remuneration Policy approved by shareholders at last year's AGM. I am available to discuss matters if any shareholder or proxy advisor has any questions and I am contactable through the Company Secretary. I welcome this continued engagement and look forward to the ongoing support of shareholders.

Lord Anthony St John of Bletso

Remuneration Committee Chairman
8 April 2024

Directors' Remuneration Policy Report

(Unaudited)

This part of the report, which is not subject to audit, sets out the remuneration policy for the Company and has been prepared in accordance with the provisions of the Companies Act 2006, the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The policy has been developed taking into account the principles of the UK Corporate Governance Code (the Code), the guidelines published by institutional advisory bodies and the views of our major shareholders. The Company is required to prepare and seek shareholder approval for an updated Directors' Remuneration Policy at least once every three years. The Directors' Remuneration Policy became effective from the date of the 2024 AGM. The Policy is intended to apply for a period of three years from that date and no changes are being proposed this year. However, the Committee monitors the Remuneration Policy on a continuing basis including consideration of evolving market practice and relevant guidance; shareholder views and results of previous voting; policies applied to the wider employee base; and with due regard to the current economic climate. Should the Committee resolve that the Remuneration Policy should be revised, such revisions will be subject to a binding shareholder vote.

The overarching aim is to operate a Remuneration Policy which rewards senior executives at an appropriate level for delivering against the Company's annual and longer-term strategic objectives. The Policy is intended to create strong alignment between executive Directors and shareholders through inclusion of a performance-related bonus and LTIP awards.

Policy Overview

The Committee assists the Board in its responsibilities in relation to remuneration, including making recommendations to the Board on the Company's policy on executive remuneration.

The Company's policy is to provide remuneration to executives to reflect their contribution to the business, the performance of the Group, the complexity and geography of the Group's operations and the need to attract, retain and incentivise executives.

The Committee seeks to provide remuneration packages that are simple, transparent and take into account best UK and local market practices in countries where we operate, whilst providing an appropriate balance between fixed and variable pay that supports the delivery of the Group's strategy.

In its development of the Policy, the Committee took account of the six factors set out in the Code summarised below:

- **Clarity**

  The Policy seeks to be transparent and promote effective engagement with shareholders and the workforce with appropriate alignment and open disclosure.

- **Simplicity**

  The Policy seeks to follow a standard easy to understand structure for ongoing remuneration with one-off variations only where appropriate for the Group's specific circumstances and none implemented in the past year.

- **Risk**

  The Policy seeks to balance opportunity with risk in relation to the specific circumstances of the Group by structuring targets to align with sustained success.

- **Predictability**

  The Policy seeks to quantify potential outcomes from achievement of both shorter and longer-term objectives as well as quantifying fixed remuneration and has determined bonuses to be paid consistently across the Group.

- **Proportionality**

  The Policy is structured to incentivise and reward targets to benefit the Group whilst fairly rewarding Directors for working towards those targets and retaining overriding discretion to override formulaic outturns where it considers appropriate, with target achievement in the past year having fairly reflected overall performance.

- **Alignment to culture**

  The Policy is intended to be aligned with the culture being developed in the Group of empowerment to achieve Group objectives coupled with reward for doing so within an environment of integrity by ensuring remuneration of different groups of employees takes account of the overall approach followed.

The Committee was able to consider corporate performance on Environmental, Social and Governance (ESG) issues when setting executive Directors' remuneration.
The Committee has ensured that the incentive structure for Senior Management does not raise ESG risks by inadvertently motivating irresponsible behaviour.

In the past year, the policy operated as intended in terms of driving company performance and resulting in the appropriate quantum of remuneration, except for the operation of the long term incentive plan, which is intended to be reintroduced in 2025 following approval of its renewal by shareholders at the upcoming AGM as set out in the letter from the Committee Chairman on page 68. No discretion has needed to be, nor has been, exercised in the implementation of the remuneration policy for the past year.

The following table sets out the Directors' Remuneration Policy.

Remuneration Policy table for Executive Directors

Element of Pay	Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Criteria
Base salary	• To attract and retain talented people with the right range of skills, expertise and potential in order to maintain an agile and diverse workforce that can safely deliver our flexible offshore support service	• Normally reviewed annually by the Committee or, if appropriate, in the event of a change in an individual's position or responsibilities • The level of base salary reflects the experience and capabilities of the individual as well as the scope and scale of the role • Any increases to base salary will take into account individual performance as well as the pay and conditions in the workforce	• Any increases in base salary will not take the level of base salary above the level justified in the Committee's opinion by the factors set out below • When determining the level of any change in compensation, the Committee takes into account: – Remuneration levels in comparable organisations in the UAE and the Arabian Peninsula region – Remuneration levels in the international market – Increases for the workforce generally – Changes to an individual's role, including any additional responsibilities	• N/A
Annual bonus	• To encourage and reward delivery of the Group's annual strategic, financial and operational objectives	• Performance measures and targets are reviewed annually by the Committee and are linked to the Group's key strategic and financial objectives • Annual bonus will normally be paid wholly in cash up to 100% of base salary • Annual bonus in excess of 100% of base salary will normally be deferred in GMS shares for up to two years • The Committee has the discretion to defer a greater proportion of the annual bonus in GMS shares • Deferral will be under the Deferred Bonus Plan. Any dividends that accrue during the deferral period may be paid in cash or shares at the time of vesting of the award • Clawback and/or malus can be applied for three years from the end of the financial year to which a payment relates, in the event of serious misconduct, reputational harm, corporate failure, a material misstatement of the Company's financial results or an error in the calculation of performance targets	• Maximum opportunity of 120% or, in exceptional circumstances, 150% of base salary (in the case of the Executive Chairman calculated on the uplift base salary)	• The annual bonus will be based on Group financial performance, other than where the Committee deems appropriate to include additional specific measures • The Committee has discretion to vary annual bonus payments downwards or upwards if it considers the outcome would not otherwise be a fair and complete reflection of the performance achieved by the Group and/or the Executive Director. Performance below threshold, as shown in the Corporate Scorecard, results in zero payment. Payments increase from 0% to 100% of the maximum opportunity for levels of performance between threshold and maximum performance targets. If financial and/or (for a minority of the total) non-financial or strategic targets not linked to a set of annual results are used, these can straddle more than one financial year where considered justified

Element of Pay	Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Criteria
Long Term Incentive Plan (LTIP)	• To incentivise and reward the achievement of key financial performance objectives and the creation of long-term shareholder value • To encourage share ownership and provide further alignment with shareholders	• Annual awards of nil-cost options or conditional shares with the level of vesting subject to the achievement of stretching performance conditions measured over a three-year period • Performance targets are reviewed annually by the Committee and are set at such a level to motivate management and incentivise out-performance • If the Committee decides it to be appropriate at the time, awards may be cashed out instead of being satisfied in shares • Dividends that accrue during the vesting period may be paid in cash or shares at the time of vesting, to the extent that shares vest • Malus and clawback provisions apply in the event of serious misconduct, reputational harm, corporate failure, a material misstatement of the Company's financial results or an error in the calculation of performance targets. Clawback can be applied for three years from the end of the financial year in which an award vests • A two-year post-vesting holding period will normally apply	• Normal maximum opportunity of 200% of base salary (exceptional limit of 300% of base salary)	• Performance is assessed against metrics which will normally include a financial measure, such as EBITDA, and/or a net profit • 25% of an award will vest for achieving threshold performance, increasing pro rata to full vesting for achievement of maximum performance targets • The Committee has discretion to vary the level of vesting downwards or upwards if it considers the outcome would not otherwise be a fair reflection of the performance achieved by the Company and/or to prevent windfall gains from arising
End of service gratuity	• To provide an end of service gratuity as required under UAE Labour Law	• End of service gratuity contributions are annually accrued by the Company after an employee served for more than one year • The calculation is based on basic salary, duration of service and type of the contract: limited or unlimited. The Committee has no discretion on the amount. It is set and regulated by UAE Labour Law	• The maximum pay out to an employee is limited by UAE Labour Law to two years' base salary	• N/A
Benefits	• To provide competitive and cost-effective benefits to attract and retain high-calibre individuals	• Private medical insurance for the executive and close family, death in service insurance, disability insurance, accommodation payment of children's school fees and remote working expenses (as applicable)	• Actual value of benefits provided which would not exceed those considered appropriate by the Committee	• N/A

Element of Pay	Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Criteria
Allowances	• Allowances are set to cover living and travel costs where the Director serves outside their home country and is in line with local market practice and to cover payments in lieu of untaken holiday where such payments are in line with the Group's policies in relation to the wider workforce.	• Any increases to allowances will take into account local market conditions as well as the allowances provided to the workforce • Allowances relating to air travel and transport	• N/A	• N/A
Share ownership guidelines	• To encourage alignment with shareholders	• Executive Directors are required to build and maintain a shareholding equivalent to at least 200% salary through the retention of vested share awards or through open market purchases • A new appointment will be expected to reach this guideline in three to five years post-appointment • Executive Directors are required to retain 50% of the shares (net of tax) vesting under the incentive schemes until the guideline has been achieved • Executive Directors ceasing in their role are required to retain their then shareholding, up to their minimum in-service requirement in the first year and 50% of that in the second year, subject to the discretion of the Committee to vary the level or length of these requirements if it considers that to be appropriate in the circumstances at the time	• N/A	• N/A

Notes to the Table

Annual Bonus Performance Measures

The annual bonus reflects key financial performance indicators linked to the Group's strategic goals. Financial targets are set at the start of the financial year with reference to internal budgets and taking account of market expectations.

LTIP Performance Measures

The LTIP performance measures will reward long-term financial growth and long-term returns to shareholders. Targets are set by the Committee each year on sliding scales that take account of internal strategic planning and external market expectations for the Group. Only 25% of rewards are available for achieving threshold performance with maximum rewards requiring out-performance of challenging strategic plans approved at the time of grants.

Discretion

The Committee operates the Company's annual short-term and long-term incentive arrangements for the executive Directors in accordance with their respective rules, the Financial Conduct Authority's UK Listing Rules and the HMRC rules where relevant. The Committee, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of the plans. These include the following:

- who participates;
- the timing of the grant of award and/or payment;
- the size of an award (up to Policy and plan limits) and/or a payment;
- the annual review of performance measures, targets and weightings for the annual bonus and LTIP from year to year;
- discretion relating to the measurement of performance and adjustments to performance measures and vesting levels in the event of a change of control or restructuring;
- determination of a good leaver (in addition to any specified categories) for incentive plan purposes;
- adjustments required in certain circumstances (e.g. rights issues, corporate restructuring and special dividends); and
- the ability to adjust existing performance conditions for exceptional events so that they can still fulfil their original purpose.

Payments Under Previous Policies

Any remuneration payment or payment for loss of office to which a Director became entitled under a previous Directors' Remuneration Policy or before the person became a Director (unless the payment was in consideration of becoming a Director) may be paid out even though it may not be consistent with this Policy.

How Remuneration of the Executive Directors differs from employees generally, and how their views are taken into account in setting the Remuneration Policy

When considering the structure and levels of executive Director remuneration, the Committee reviews base salary, annual bonus and LTIP arrangements for the management team, to ensure that there is a coherent approach across the Group. The annual bonus plan and LTIP operate on a similar basis across the Senior Management team. The key difference in the Policy for Executive Directors is that remuneration is more heavily weighted towards variable pay than that of other employees. This ensures that there is a clear link between the value created for shareholders and the remuneration received by the executive Directors. Because of the lack of visibility and influence over achievement of performance measures, the pay of employees outside the management team is much less linked to Group performance and is mostly in the form of salary and benefits.

Whilst the Committee did not formally consult with employees in respect of the design of the Director's Remuneration Policy, it nonetheless takes into account wider remuneration in the Group and the views of employees in determining the Policy and implementation of Executive remuneration. For example, no bonuses having been paid in relation to 2022 to assist the Group in achieving its leverage targets, the Committee took account of feedback subsequently received and has approved the payment of bonuses in full in relation to the performance achieved in 2023 and 2024. Similarly, following feedback on the long-term incentive awards granted in 2022, lapsing in 2023 due to non-achievement of the leverage underpin, the Committee has given further consideration as to how best to utilise such awards in future. The role of non-executive Director overseeing workforce engagement is held by Lord Anthony St John and further details regarding workforce engagement can be found on page 66.

Consideration of Shareholder Views

The Committee engages directly with major shareholders and their representative bodies on any major changes planned to the Directors' Remuneration Policy or how the Policy will be implemented. This past engagement has shaped the Remuneration Policy followed by the Company and the outcomes from implementation of this, both in terms of structure, and quantum.

Executive Directors’ Recruitment and Promotions

The policy on the recruitment or promotion of an executive Director takes into account the need to attract, retain and motivate the best person for each position, while at the same time ensuring a close alignment between the interests of shareholders and management, as follows:

Base salary	The base salary for a new appointment will be set taking into account the skills and experience of the individual, internal relativities and the market rate for the role as identified by any relevant benchmarking of companies of a comparable size and complexity. If it is considered appropriate to set the base salary for a new executive Director at a level which is below market (for example, to allow them to gain experience in the role) their base salary may be increased to achieve the desired market positioning by way of a series of phased above inflation increases. Any increases will be subject to the individual’s continued development in the role.
End of service gratuity, benefits and allowances	End of service gratuity, benefits and allowances will be set in line with the Policy, reflective of typical market practice and the Labour Law for the UAE. In the event of an executive Director being recruited to work outside the UAE, alternative benefits, pension provision and/or allowances may be provided in line with local market practice. Recognising the international nature of the Group’s operations, where appropriate to recruit, promote or transfer individuals to a different location of residence, the Committee may also, to the extent it considers reasonable, approve the payment of one-off relocation and repatriation-related expenses. It may also approve legal fees appropriately incurred by the individual in connection with their employment by the Group.
Annual bonus and LTIP	The Company’s incentive plans will be operated, as set out in the Policy table above, albeit with any payment pro rata for the period of employment and with the flexibility to use different performance measures and targets, depending on the timing and nature of the appointment.
Remuneration foregone	The Committee may offer cash and/or share-based elements to compensate an individual for remuneration and benefits that would be forfeited on leaving a former employer, when it considers these to be in the best interests of the Group (and therefore shareholders). Such payments would take account of remuneration relinquished and would mirror (as far as possible) the delivery mechanism, time horizons and performance requirement attached to that remuneration and would not count towards the limits on annual bonus and LTIP in the Policy. Where possible, this will be facilitated through existing share plans as set out in the Policy table above, but if not, the Committee may use the provisions of 9.4.2 of the Financial Conduct Authority’s UK Listing Rules.
Internal appointments	In the case of an internal appointment, any variable pay element awarded in respect of the prior role will be allowed to pay out according to its original terms stipulated on grant or adjusted as considered desirable to reflect the new role.

Directors' Service Agreements and Payments for Loss of Office and Provision for Change of Control

The Committee seeks to ensure that contractual terms of the executive Director's service agreement reflects best practice.

Notice period	Executive Directors' service agreements are terminable on no more than 12 months' notice. The Executive Chairman's present service agreement is terminable by either the Company or the Executive Chairman on six months' notice although this may be amended if considered appropriate but never to be terminated on more than 12 months' notice. In circumstances of termination on notice the Committee will determine an equitable compensation package, which may be comprised by some or all of the items set out below together with legal fees and repatriation expenses having regard to the particular circumstances of the case. The Committee has discretion to require notice to be worked, to make payment in lieu of notice or to place the Director on gardening leave. The Company may terminate the appointment summarily with immediate effect if the Director is guilty of gross misconduct in accordance with relevant provisions of the UAE Labour Law.
Payment in lieu of notice	In case of payment in lieu, base salary (ignoring any temporary reduction), allowances, benefits and end of service gratuity will be paid for the period of notice served or paid in lieu. If the Committee believes it would be in shareholders' interests, payments would be made either as one lump sum or in equal monthly instalments and in the case of payment in lieu will be subject to be offset against earnings elsewhere.
Annual bonus	Annual bonus may be payable in respect of the period of the bonus year worked by the Director; there is no provision for an amount in lieu of bonus to be payable for any part of the notice period not worked. In determining the amount of any annual bonus to be paid, the Committee will have regard both to the extent to which relevant performance measures have been achieved and to any other circumstances of departure or the Directors' performance which the Committee considers relevant. Unless exceptionally the Committee determines otherwise, the Policy provisions in relation to the deferral of bonuses would be applied. Any annual bonus previously deferred would normally continue to be deferred under the terms of that plan. Deferral of bonus under the Deferred Bonus Plan will normally continue for the deferred period after leaving and will then vest in full but will lapse if the Director has left in circumstances in which their employment could have been terminated without notice. The deferral will vest in full on death.
LTIP	Outstanding share awards under the LTIP normally lapse on leaving employment but are subject to the rules which contain discretionary provisions setting out the treatment of awards where a participant leaves for designated reasons (i.e. participants who leave early on account of injury, disability or ill health, death, a sale of their employer or business in which they were employed, statutory redundancy, retirement or any other reason at the discretion of the Committee). In these circumstances, a participant's awards will not be forfeited on cessation of employment and instead will continue to vest on the normal vesting date or earlier at the discretion of the Committee, subject to the performance conditions attached to the relevant awards. The awards will, other than in exceptional circumstances, be scaled back pro rata for the period of the incentive term worked by the Director. Performance and circumstance of departure would be assessed by the Remuneration Committee as part of any decision to treat a person as a good leaver and/or to vary pro-rating.
Other payments	In addition to the above payments, the Committee may make any other payments determined by a court of law or to settle any legal claim in respect of the termination of a Director's contract.
Change of control	In the event of a change of control or a demerger, special dividend or other similar event affecting the share price, the Committee shall, in terms of the LTIP in its absolute discretion, determine whether and to what extent an unvested award will vest (taking into account the satisfaction of the performance conditions). The Committee may also decide that the award will vest to a greater or lesser extent having regard to the Director's or the Group's performance or such other factors it may consider appropriate. The Committee may decide that awards will vest pro rata to take account of early vesting. Alternatively, the award may be exchanged for equivalent awards over shares in an acquiring company.

The date of the Executive Chairman's Service Agreement is 7 February 2021, effective 10 November 2020 and is subject to six months' notice. This Service Agreement is available for inspection by prior appointment at the Company's registered office and will be available for inspection at the AGM.

External Appointments

The Committee recognises that an executive Director may be invited to become a non-executive Director in another company and that such an appointment can enhance knowledge and experience to the benefit of the Group. It is policy that Board approval is required before any external appointment may be accepted by an executive Director. An executive Director would normally be permitted to retain any fees paid for such services. The current executive Directors do not hold any such external appointments in public companies.

Non-executive Directors' Remuneration Policy and Terms of Engagement

The following table sets out the components of the non-executive Directors' remuneration package.

Element of Pay	Purpose and Link to Strategy	Operation	Maximum Opportunity	Performance Criteria
Non-executive Directors' fee	Set to attract, reward and retain talented individuals through the provision of market competitive fees	Reviewed periodically by the Board or, if appropriate, in the event of a change in an individual's position or responsibilities Fee levels set by reference to market rates, taking into account the individual's experience, responsibility and time commitments	Total non-executive Director fees must be within any limit prescribed by the Company's Articles of Association (currently £750,000) and individual fees will take account of the factors set out in this table. The Board takes into account external market practice, pay increases within the Group, wider economic factors and any changes in responsibilities when determining fee increases	N/A
Non-executive Directors' benefits	Travel to the Company's registered office and operational headquarters	Travel to the Company's registered office and operational headquarters may in some jurisdictions be recognised as a taxable benefit	Costs of travel, grossed-up where taxable	N/A

Non-executive Directors are appointed by letter of appointment for an initial period of three years (but are subject to annual reappointment), which are terminable by three months' notice by the Director or the Company. In relation to a Chairman (where a non-executive appointment), the Company retains flexibility to set a notice period of up to six months.

The dates of the letters of appointment of the non-executive Directors are:

Charbel El Khoury	Non-executive Director	23 August 2021
Jyrki Koskelo	Independent non-executive Director	5 February 2021
Lord Anthony St John of Bletso	Independent non-executive Director	26 May 2021
Haifa Al Mubarak	Independent non-executive Director	10 October 2023

The letters of appointment are available for inspection by prior appointment at the Company's registered office. For the appointment of a new Chairman or non-executive Director, the fee arrangement would be set in accordance with the approved Policy in force at that time.

Lord Anthony St John of Bletso

Remuneration Committee Chairman
8 April 2025

Annual Report on Remuneration

This part of the report has been prepared in accordance with Part 3 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and 6.6.1R of the UK Listing Rules. The Annual Report on Remuneration will be put to an advisory shareholder vote at the 2025 AGM. Sections of this report that are subject to audit have been indicated.

Shareholder voting at AGM

The 2024 Annual Report on Remuneration will be subject to an advisory shareholder vote at the 2025 AGM. Votes cast by proxy and at the 2024 AGM in respect of the Directors' Remuneration Report and the Directors Remuneration Policy was approved with the following results:

Resolution	Votes For	% of Votes For	Votes Against	% of Votes Against	Votes Withheld	Total Votes Cast
To approve the Directors' Remuneration Report for the year ended 31 December 2023	724,542,420	99.98%	115,150	0.02%	1,097,370	724,657,570
Directors' Remuneration Policy approved at 2024 AGM[1]	718,224,734	99.12%	6,407,835	0.88%	1,122,371	724,632,569

1 The Directors Remuneration Policy is subject to review every three years.

External advice and workforce input received

In carrying out their responsibilities, the Committee seeks external advice as necessary. In 2024, given the continued extensive engagement with shareholders, the Committee did not seek the advice of external advisors in its deliberations. The Committee does though take account of the workforce feedback and generally aligns increases in remuneration and common performance target outcomes of the Executive Chairman and other senior executives with those of the wider workforce.

Executive Directors' Single Total Figure of Remuneration Earned in 2024 (Audited)

The table below summarises executive Directors' remuneration in respect of 2024.

		Fixed Element of Pay				Pay For Performance			
		Base Salary US$'000	Allowances and Benefits[1] US$'000	End of Service Gratuity[2] US$'000	Subtotal	Annual Bonus[3] US$'000	Long-Term Incentives[4] US$'000	Subtotal	Total Remuneration US$'000
Executive Chairman	**2024**	**449**	**12**	**7**	**468**	**449**	**–**	**449**	**917**
Mansour Al Alami[5]	2023	419	12	24	455	399	–	399	854

1 Allowances include fixed cash and reimbursable allowances for air travel and transport. Other benefits include accommodation, private medical insurance for the executive and immediate family, death in service insurance and disability insurance. The amounts are shown as per actual expenditures.
2 End of service gratuity is the provision accrued for in the year in accordance with UAE Labour Law. Please refer to page 80 for more information. Pension provision is not a feature of executive Director remuneration packages.
3 Annual bonus for the financial year.
4 Share plans vesting represent the value of LTIP awards where the performance period ends in the year.
5 The remuneration was paid in UAE Dirhams and reported in US$ using an exchange rate of US$ 1/AED 3.665.

Performance against annual bonus targets for 2024 (Audited)

For 2024 the maximum annual bonus opportunity was set at 120% of base salary. The annual bonus was assessed against the following financial objectives which produced a formulaic outcome of 117.49% as set out in the table below.

Measure	Weighting (% of base salary)	Performance Range (From Zero to Full Pay-out)	Result	% of Base Salary Payable
EBITDA	25%	Less than US$ 86m – Greater than US$ 99.0m	US$ 100.6m	25%
EBITDA margin	5%	Less than 53% – Greater than 60%	59.96%	4.99%
Securing contract % of 2025 budget revenue	20%	Less than 60% – Greater than 85%	100%	20%
Securing contract % of 2026 budget revenue	10%	Less than 35% – Greater than 55%	64%	10%
Achieving leverage <2.48	20%	After 31 December 2024 – On or before 31 December 2024	2.0x	20%
Debt Refinancing	15%	After 31 December 2024 – On or before 31 December 2024	Agreement achieved before 30 September 2024	15%
Strategic partnership target	5%	After 31 December 2024 – On or before 31 December 2024	In progress	2.5%
Objective of development of the Company's equity story and investor relations plans**	10%	Assessed by the Remuneration Committee	Fully achieved	10%
Objective of development and implementation of senior management talent development and succession planning**	10%	Assessed by the Remuneration Committee	Fully achieved	10%
Total	120%			117.49%

1	EBITDA*	<US$ 86.0m	US$ 86.0m–US$ 93.4m	US$ 93.5m–US$ 99.0m
	Score	0%	0.1–20%*	20.1–35%*
2	EBITDA Margin*	<53%	53–56%	56.1–60.0%
	Score	0%	0.1–4.0%*	4.1–5%*
3	Securing contracts % of 2025 budget revenue*	<60%	60–80%	80.1–85%
	Score	0%	0.1–16%*	16.1–20%*
4	Securing contracts % of 2026 budget revenue*	<35%	35–50%	50.1–55%
	Score	0%	0.1–8%*	8.1–10%*
5	Achieving leverage < 2.48	After 31 December 2024		On or before 31 December 2024
	Score	0%		20%*
6	Agreement for debt refinancing	After 31 December 2024	On or before 30 September 2024	On or before 31 December 2024
	Score	0%	15%	10%*
7	Strategic Partnership target	After 31 December 2024		On or before 31 December 2024
	Score	0%		5%*

* Zero to full pay-out is not linear as bands operate within the performance ranges shown.

** The annual bonus potential for Mansour Al Alami in 2024 was 120% of salary. The proportion above 100% of salary or otherwise determined by the Remuneration Committee (in this case, 17.49% of salary), will be deferred into shares under the Deferred Bonus Plan.

LTIP Awards Vesting for 2024 and Directors' Interests in Share Plan Awards (Audited)

There were no LTIP awards that vested in the year for Directors.

Executive Directors

End of service gratuity

As required under UAE Labour Law, the Company accrues for the end of service gratuity entitlement in respect of the Executive Chairman. The gratuity equates to 21 days' base salary (excluding fixed cash allowances) for each year of the first five years of employment and 30 days' wages for each additional year of employment thereafter, up to a limit of two years' total wages.

Director's pension entitlement (Audited)

The Company does not operate a pension scheme and accordingly no element of remuneration is pensionable.

Statement of Implementation of Directors' Remuneration Policy in 2024

Base salary in 2025

	Base Salary from 1 January 2025 US$'000	Base Salary from 1 January 2024 US$'000	% Change
Mansour Al Alami	476	449	6%

Allowances and benefits for 2025

The cash allowances comprise payments to cover costs of transport will be as follows:

	Base Salary from 1 January 2025 US$'000	Base Salary from 1 January 2024 US$'000	% Change
Mansour Al Alami	12	12	0%

Other benefits to be provided directly include accommodation, private medical insurance for the executive Directors and close family in line with local legal requirements, death in service insurance and disability insurance.

Annual Bonus for 2025

For 2025 the maximum bonus opportunity will again be 120% of base salary. Any proportion above 100% of salary or otherwise determined by the Remuneration Committee will be deferred into shares under the Deferred Bonus Plan. The annual bonus for the executive Director will be based on Group financial performance, strategic targets and personal objectives weighted as follows (expressed as a percentage of salary):

Measure	Weighting
EBITDA	25%
EBITDA Margin	15%
2024 Secured revenue	20%
2025 Secured revenue	10%
Achieving target leverage subject to Committee-approved capital allocation adjustments	20%
Business development targets	10%
Share register development objectives	10%
Organisational and people development objectives	10%
Total	120%

The targets for the annual bonus are considered commercially sensitive because of the competitive nature of the Company's market and will be disclosed in next year's Annual Report.

Non-executive Directors' single figure table (Audited)

	Fees 2024 US$'000	Fees 2023 US$'000	Total Remuneration 2024 US$'000	Total Remuneration 2023 US$'000
Chairman				
Mansour Al Alami	**–**	–	**–**	–
Chairman total	**–**	–	**–**	–
Non-executive Directors[1]				
Jyrki Koskelo	**93**	62	**93**	62
Lord Anthony St John of Bletso	**99**	64	**99**	64
Charbel El Khoury[4]	**–**	–	**–**	–
Haifa Al Mubarak[3]	**81**	12	**81**	12
Rashed Al Jarwan[2]	**–**	36	**–**	36
Hassan Heikal[4]	**–**	–	**–**	–
Non-executive Directors total	**273**	174	**273**	174

1 The non-executive Directors' remuneration is paid in Pound Sterling and reported in US$ using an exchange rate of US$ 1.24/£1 for 2024.
2 Rashed Al Jarwan retired from the Board effective 04 August 2023.
3 Haifa Al Mubarak was appointed to the Board effective 11 October 2023.
4 Hassan Heikal and Charbel El Khoury waived their entitlements to receive a fee for their roles in 2023 and 2024.

Directors' interests in ordinary shares (Audited)

Through participation in performance-linked share-based plans, there will be strong encouragement for executive Directors to build and maintain a significant shareholding in the business.

As set out in the existing Directors' Remuneration Policy, the Committee requires the CEO to build and maintain an increased shareholding in the Company equivalent to 200% of base salary. The shareholding requirement for any other executive Directors is also 200% of base salary. Until this requirement is achieved, they are required to retain no less than 50% of the net of tax value of any share award that vests. A new appointment would normally be expected to reach this guideline in three to five years post-appointment. On cessation of employment, executive Directors will be bound by post-employment shareholding requirements, as set out in the existing Directors' Remuneration Policy. The Chairman and non-executive Directors are able to hold shares in the Company but are not subject to a formal shareholding guideline.

The beneficial interests of the Directors and connected persons in the share capital of the Company at 31 December 2024 were as follows:

	At 31 December 2024	At 31 December 2023	Shareholding Ownership Requirement Met?	Outstanding LTIP Awards
Mansour Al Alami	**2,571,000**	2,571,000	In progress	–
Hassan Heikal	**–**	–	N/A	–
Jyrki Koskelo	**–**	–	N/A	–
Lord Anthony St John of Bletso	**–**	–	N/A	–
Haifa Al Mubarak	**–**	–	N/A	–
Charbel El Khoury	**13,455**	–	N/A	–

* Full details of the Directors' shareholdings and share allocations are given in the Company's Register of Directors' Interests, which is open to inspection at the Company's registered office during business hours.

Fees for the non-executive Directors (Audited)

The non-executive Directors' remuneration is determined by the Board, based on the responsibility and time committed to the Group's affairs and appropriate market comparisons. Individual non-executive Directors do not take part in decisions regarding their own fees. Non-executive Directors receive no other benefits and do not participate in short-term or long-term reward schemes. Hassan Heikal and Charbel El Khoury waived their entitlements to receive a fee for their roles for both 2023 and 2024. A summary of the fees is set out below. Please note the fees are determined in Pound Sterling. The non-executive Directors do not have any service contracts with the Company and their services are provided under letters of appointment detailed in the policy report and are terminable on 1 month's notice.

	Annual Fee 2024 £'000	Annual Fee 2023 £'000
Non-executive Director base fee	**55**	45
Additional fees:		
Senior Independent Director	**10**	5
Audit and Risk Committee Chair	**15**	5
Nomination Committee Chair[1]	**–**	–
Audit and Risk Committee and Remuneration Committee Membership allowances (excluding chairs)	**5**	–
Remuneration Committee Chair	**10**	5

1 The Chair of the Nomination Committee is also Executive Chairman and there is no separate pay for this position.

Percentage change in remuneration levels

The table below shows the year-on-year variance in base salary, allowances and benefits, and bonus for the Executive Chairman in the 2024 financial year, compared to that for employees of the Group as a whole:

Measure	% Change
Executive Chairman	
Base salary	7%
Allowances and benefits	0%
Bonus	13%
All employees	
Base salary allowances and benefits	5%
Bonus	(21%)

Annual percentage change in Director and employee remuneration

The fees of non-executive Directors, having not been increased since 2014, were reviewed for 2024. Following this review, and taking account of both market comparables, and the commitments required from non-executive Directors in the Company, the Board increased the base fee of independent non-executive Directors from £45,000 per annum to £55,000 per annum. Similarly, the fees of the Chairmen of the Audit and Risk Committee and Remuneration Committee, were increased from £5,000 per annum to £10,000 and £15,000 per annum respectively, the latter reflecting the increasing role of that Committee in light of the forthcoming changes to the UK Corporate Governance Code. Similarly members of those Committees other than the Chair will each receive fees of £5,000 per annum. The fees of the Senior Non-executive Director which role includes workforce engagement were increased from £5,000 to £10,000. These changes are reflected below. There have been no increases in these fee rates for 2025.

The table below shows the annual percentage change in fixed remuneration of base salary, allowances and benefits of Directors and employees in 2024 compared to 2023 and 2023 compared to 2022:

	2024 Compared to 2023			2023 Compared to 2022		
	Base Salary	Benefits	Annual Bonus	Base Salary	Benefits	Annual Bonus
Mansour Al Alami	7%	0%	19%	0%	0%	100%[6]
Rashed Al Jarwan[1]	N/A	N/A	N/A	0%	N/A	N/A
Jyrki Koskelo	22%[5]	N/A	N/A	0%	N/A	N/A
Lord Anthony St John of Bletso[4]	22%[5]	N/A	N/A	0%	N/A	N/A
Charbel El Khoury[2]	N/A	N/A	N/A	N/A	N/A	N/A
Hassan Heikal[2]	N/A	N/A	N/A	N/A	N/A	N/A
Haifa Al Mubarak[3]	22%[5]	N/A	N/A	N/A	N/A	N/A
FTEs[7]	5%	5%	-21%	4%	12%	100%[6]

1 Rashed Al Jarwan retired from the Board effective 4 August 2023.
2 Charbel El Khoury and Hassan Haikal waived their entitlement to receive a fee for this role in these periods.
3 Haifa Al Mubarak was appointed to the Board effective 11 October 2023.
4 Effective August 2023, Lord Anthony St John of Bletso became Senior Independent Directors leading to increase in allowances in 2023.
5 As reported in the Remuneration Committee Report in the 2023 Annual Report and Accounts, fees of non-executive Directors, having not been increased since 2014, were reviewed for 2024 taking account of both market rates in comparable companies, and the commitments required from non-executive Directors in the Company. Refer to above table for details on fees for Non-Executive Directors serving on various Board Committees.
6 The significant increase in 2023 bonus reflects management's decision that no bonus would be payable in 2022, as the Group prioritised deleveraging efforts during that period.
7 Increments were granted to eligible employees.

Relative importance of the spend on pay

The table below shows overall expenditure on pay in the whole Group, including all employees and the directors, in 2024 and 2023 financial years, compared to returns to shareholders through dividends:

	2024 US$'000	2023 US$'000	% Change
Overall expenditure on pay	**33,071**	30,477	9%
Dividends and share buybacks	**–**	–	0%

Committee remit and membership

The Terms of Reference of the Committee have been formally adopted by the Board and are available for inspection in the investor relations section of the Company's website. The principal responsibilities of the Committee include:

- setting the strategy, structure and levels of remuneration of our executive Directors and Senior Management;
- ensuring that all remuneration paid to our executive Directors is in accordance with the approved Remuneration Policy; and
- aligning the financial interests of the executive Directors and other management and employees with the achievement of the Group's objectives.

The Committee assists the Board in fulfilling its responsibilities regarding all matters related to remuneration. This includes proposing the Directors' Remuneration Policy for shareholder approval and governing the implementation of the Policy. In addition, the Committee monitors the structure and level of remuneration for the Senior Management team and is aware of pay and conditions in the workforce generally. The Committee also ensures compliance with UK corporate governance good practice.

The composition of the Committee at 31 December 2024 is in compliance with the Code which provides that all members of the Committee should be independent non-executive Directors.

Jyrki Koskelo, Haifa Al Mubarak and I served on the Committee throughout the year as independent non-executive Directors.

The Executive Chairman, Charbel El Khoury and the HR team were usually invited to attend for at least part of each meeting to allow the Committee to benefit from their contextual advice. These individuals were not present when the Committee was debating matters concerning themselves. The Company Secretary acts as Secretary to the Committee. The Committee met on five occasions during 2024. Members' attendance at those meetings is shown on page 54. The Committee also held informal discussions as required.

Performance evaluation of the Committee

The performance of the Committee was evaluated, as part of the overall Board evaluations reported on in the report of the Nomination Committee on page 67.

Approval of the Directors' Remuneration Report

The Directors' Remuneration Report, including the Annual Report on Remuneration was approved by the Board on 8 April 2025 for presentation to shareholders at the AGM.

Lord Anthony St John of Bletso

Remuneration Committee Chairman
8 April 2025

This Directors’ Report, prepared in accordance with the requirements of the Companies Act 2006 (the Act), 2018 UK Corporate Governance Code (the Code) (publicly available on the Financial Reporting Council website), the Financial Conduct Authority’s UK Listing Rules, and Disclosure and Transparency Rules, contains certain statutory, regulatory and other information.

The Strategic Report on pages 2 to 51 includes reviews of the Group business model and strategy, an indication of likely future developments in the Group, and details of important events since the year ended 31 December 2024.

The Corporate Governance Report on pages 52 to 88 include summaries of the operations of the Board and its Committees, and information regarding the Group’s compliance with the Code during 2024.

The Strategic Report and the Corporate Governance Report form part of and are incorporated in this Directors’ Report by reference.

Disclosure Requirements of UK Listing Rule 6.6.1R

The following table provides references to where the information required by UK Listing Rule 6.6.1R is disclosed:

UK Listing Rule Requirement	Page
Interest capitalised and tax relief	Not applicable
Publication of unaudited financial information	Not applicable
Details of any long-term incentive schemes	Page 69
Waiver of emoluments by a Director	Pages 81
Waiver of future emoluments by a Director	Not applicable
Non-pre-emptive issues of equity for cash	Page 121
Non-pre-emptive issues of equity for cash by any unlisted major subsidiary undertaking	Not applicable
Parent participation in a placing by a listed subsidiary	Not applicable
Contracts of significance	Not applicable
Provision of services by a controlling shareholder	Not applicable
Shareholder waivers of dividends	Not applicable
Board statement in respect of relationship agreement with the controlling shareholder	Not applicable
Climate-related financial disclosures consistent with TCFD recommendations	Page 32

Directors

The Directors who served during the year are as follows:
Mansour Al Alami
Lord Anthony St John of Bletso
Haifa Al Mubarak
Charbel El Khoury
Jyrki Koskelo
Hassan Heikal (stepped down from the Board on 4 September 2024)

Biographical details of the current Directors are set out on pages 56 to 57. The beneficial interests of the Directors and connected persons in the share capital of the Company are set out on page 81 of the Report of the Remuneration Committee.

Powers of Directors

The Directors’ powers are determined by UK legislation and our Articles of Association (the Articles), which are available on the Company’s website. The Directors may exercise all of the Company’s powers provided that the Articles or applicable legislation do not stipulate that any such powers must be exercised by the members (shareholders).

Appointment and Replacement of Directors

Directors may be appointed by ordinary resolution of the members or by a resolution of the Directors. Members may remove a Director by passing an ordinary resolution of which special notice has been given, in accordance with the Act.

Directors wishing to continue to serve seek reappointment annually in accordance with provision 18 of the Code. All Directors are being proposed by the Board for reappointment at the forthcoming Annual General Meeting (AGM).

Section 172(1) of the Companies Act 2006

For information on how the Directors have engaged with employees, how they have had regard to employee interests, and the effect of that regard, including on the principal decisions taken by the Company during the financial year, please refer to page 45. Please also refer to pages 34 to 47 in the Strategic Report where GMS’ business relationships with suppliers, customers and others are identified, and the effect of that regard, including on the principal decisions taken by the Company during the financial year.

A description of the Group’s diversity policy is set out on page 44 and forms part of this report by reference.

Amendments to the Articles of Association

The Company may alter its Articles by special resolution passed at a general meeting of shareholders.

Indemnification of Directors

The Company has provided indemnification for Directors in accordance with the Company's Articles and the Act. As far as is permitted by legislation, all Officers of the Company are indemnified out of the Company's own funds against any liabilities and associated costs which they could incur in the course of their duties for the Company, other than any liability to the Company or an associated company.

Change of Control

As at 31 December 2024, the Company was party to the following significant agreements that take effect, alter or terminate, or have the potential to do so, on a change of control of the Company:

Share Incentive Schemes

The Company's proposed long-term incentive plan referred to in the Report of the Remuneration Committee on page 69 and to be submitted to shareholders for approval at the AGM will contain provisions relating to a change of control of the Company. Vesting of outstanding awards and options on a change of control would normally be at the discretion of the Remuneration Committee, which would, if and where it considered appropriate, take into account the satisfaction of any applicable performance conditions at that time and the expired duration of the relevant performance period.

Operational Contracts

The Group is party to a limited number of operational arrangements that have the potential to be terminated or altered on a change of control of the Company, but these are not considered to be individually significant to the business of the Group as a whole.

Group Banking Facility

Under the terms of the Group's banking facility agreement, if any person or persons, acting in concert, gains control of the Company by owning shares carrying 30% or more of its voting rights or otherwise exerting control, this may result in the repayment or prepayment of total balances outstanding under the Group banking facility within 30 days of notification of a change in control.

Share Capital

Details of the Company's issued share capital as at 31 December 2024 can be found in Note 13 to the consolidated financial statements, on page 122. The Company's share capital comprises ordinary shares with a nominal value of 2 pence each, which are listed on the London Stock Exchange.

Holders of ordinary shares are entitled to receive dividends (when declared by the Board or approved by members), receive copies of the Company's Annual Report, attend and speak at general meetings of the Company, appoint proxies and exercise voting rights.

There are no restrictions on the transfer, or limitations on the holding, of ordinary shares and no requirements to obtain approval prior to any transfers. No ordinary shares carry any special rights with regard to control of the Company and there are no restrictions on voting rights. Major shareholders have the same voting rights per share as all other shareholders. There are provisions under the Company's Articles with regard to the rights of shareholders and the Company pertaining to ordinary shares.

There are no known arrangements under which financial rights are held by a person other than the holder of the shares and no known agreements on restrictions on share transfers or on voting rights.

Shares acquired through our share schemes and plans rank equally with the other shares in issue and have no special rights.

The Directors were authorised at the Company's last Annual General Meeting, held on 5 June 2024, to make market purchases of ordinary shares representing up to 10% of its share capital at that time and to allot shares within certain limits permitted by shareholders and the Companies Act. The Directors intend to renew this authority annually and will continue to exercise this power only when, in light of market conditions prevailing at the time, they believe that the effect of such purchases will be to increase earnings per share and will likely promote the success of the Company for the benefit of its members as a whole.

In accordance with the Group's previous debt agreement, the Company issued warrants to its lenders on 2 January 2023, giving them the right to 137,075,773 million shares at a strike price of 5.75 pence per share. During the year, 34,218,700 warrants were exercised by the holders resulting in issuance of 53,531,734 new ordinary shares. Since year-end, a further 38,353,361 warrants have been exercised by the holders resulting in the issuance of 59,999,998 new ordinary shares. The outstanding warrants if fully exercised, would entitle the holders to subscribe for 23,544,041 ordinary shares of 2 pence each in the capital of the Company at an exercise price of 5.75 pence per share. The warrants are exercisable by the holders at any time until 30 June 2025.

Substantial Shareholders

As at 31 December and as at the date of this report, the Company has been notified, in accordance with Chapter 5 of the Disclosure and Transparency Rules, of voting rights of shareholders of the Company as shown below:

	As at 31 December 2024 Number of Shares	As at 31 December 2024 % of Share Capital	As at 08 Apr 2025 Number of Shares	As at 08 Apr 2025 % of Share Capital
MZI Holding Limited	261,680,095	24.46%	261,680,095	23.16%
Merrill Lynch International	–	–	83,585,501	7.40%
Seafox International Limited	83,339,147	7.78%	53,297,645	4.72%
Imperial Financial Holdings Limited	54,066,463	5.05%	54,066,463	4.78%
Fiera Capital (UK) Limited	37,164,522	3.47%	37,164,522	3.29%
Castro Investments Ltd	34,378,680	3.21%	34,378,680	3.04%

Risk Management

A description of the main features of the Group's internal control and risk management arrangements in relation to the financial reporting process are set out on pages 24 to 30 and forms part of this report by reference. The Group's financial risk management objectives and policies, including the use of financial instruments, are set out in Note 26 to the consolidated financial statements on pages 128 to 130.

Post Balance Sheet Events

More details can be found in Note 36 to the consolidated financial statements on page 137.

Likely Future Developments

Information in respect of likely future developments in the business of the Company can be found in the Strategic Report on pages 23 to 51 and forms part of this report by reference.

Research and Development

The Group did not undertake any research and development activities during the year (2023: none).

Political Donations

The Group made no political donations and incurred no political expenditure during the year (2023: nil).

The Existence of Branches Outside the UK

The Group has two branches in Qatar.

Employees and Policies

The Group gives full consideration to applications for employment from disabled people where the requirements of the job can be adequately fulfilled by a disabled person.

Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion opportunities to them wherever appropriate.

Further information on employees and the Company's engagement with them is given in the Strategic Report and Corporate Governance Report on pages 44 to 49 and pages 50 to 51 respectively.

Greenhouse Gas Emissions/Streamlined Energy and Carbon Reporting

Information on the Group's greenhouse gas emissions/Streamlined Energy and Carbon Reporting is set out on pages 32 to 43 and forms part of this report by reference.

Dividends

During 2024, the Board of Directors has approved a dividend policy to take effect in the future. No dividend has been paid or is proposed for 2024 (2023: nil).

Going Concern

The Directors have assessed the Group's financial position through to June 2026 and hold a reasonable expectation of its ability to continue as going concern for the foreseeable future. With four consecutive years of reported profit and a forecast of continued positive operating cash flows, particularly in light of the market outlook, the Group remains well-positioned for sustained success.

In December 2024, the Group completed the refinancing of a US$ 300.0 million (AED 1,101.5 million) loan facility (comprising a US$ 250.0 million (AED 924.0 million) term loan amortised over five years and a US$ 50.0 million (AED 177.5 million) working capital facility), denominated in United Arab Emirates Dirhams (AED). The working capital facility includes a cash commitment of US$ 20.0 million (31 December 2023: US$ 20.0 million), but if no cash is drawn, the full facility remains available for performance bonds and guarantees. The working capital facility expires alongside the main debt facility in December 2029. The three banks, two of which are current lenders, have an equal participation to the term loan and to the working capital facility.

The refinancing was secured at a more favorable interest rate, which is based on EIBOR plus a margin. The margin is determined by a ratchet depending on leverage levels. The improved terms will lower financing costs and enhance the Group's flexibility in capital allocation.

The Group closely monitors its liquidity and is expected to meet its short-term obligations over the next twelve months. Subsequent to the year end, the Group made prepayments of US$ 40.3 million towards its bank borrowings. The loan prepayments were made after taking into account the forecast cashflows for 2025.

The forecast used for Going Concern reflects management's key assumptions including those around vessel utilisation, vessel day rates on a vessel-by-vessel basis. Specifically, these assumptions are:

- average day rates across the fleet are assumed to be US$ 34.8k for the 18-month period to 30 June 2026;
- 92% forecast utilisation for the 18-month period to 30 June 2026;
- pipeline of tenders and opportunities for new contracts that would commence during the forecast period.

A downside case was prepared using the following assumptions:

- no work-to-win during the 18-months period to 30 June 2026;
- options for five vessel contracts are not exercised by the customers during the 18-months period to 30 June 2026;
- 16 percentage points reduction in utilisation for the 18-months period to 30 June 2026;
- interest rate on EIBOR to remain at current levels.

Based on the above scenario, the Group would not be in breach of its current term loan facility. The downside case is considered to be severe, but it would still leave the Group with sufficient liquidity and in compliance with the covenants under the Group's banking facilities throughout the assessment period.

In addition to the above downside sensitivity, the Directors have also considered a reverse stress test, where EBITDA has been sufficiently reduced to breach debt covenant. This scenario assumes a substantial increase in operational downtime to 19%, compared to the base case cashflows with a 2.5% operational downtime. The significant increase in operational downtime for the forecast period would result in breach of the Debt Service Cover ratios. However, it is important to note that GMS has reported annual operational downtime of less than 2.5% over the past five years.

Should circumstances arise that differ from the Group's projections, the Directors believe that a number of mitigating actions can be executed successfully in the necessary timeframe to meet debt repayment obligations as they become due and in order to maintain liquidity. Potential mitigating actions include the vessels off hire for prolonged periods could be cold stacked to minimise operating costs on these vessels which has been factored into the downside case. Additional mitigations could be considered including but not limited to reduction in overhead costs, relaxation/waiver from covenant compliance and rescheduling of repayments with lenders.

Management is aware of the broader operating context and acknowledges the potential impact of climate change on the Group's consolidated financial statements. However, it is anticipated that climate change will have limited effect during the going concern assessment period.

After considering reasonable risks and potential downsides, the Group's forecasts suggest that its bank facilities, combined with high utilisation at higher day rates and a pipeline of near-term opportunities for additional work, will provide sufficient liquidity to meet its needs in the foreseeable future. Accordingly, the consolidated financial statements for the Group for the year ended 31 December 2024 have been prepared on a going concern basis.

Statement on Disclosure to the External Auditor

Each of the Directors of the Company at the time when this report was approved confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given in accordance with Section 418(2) of the Act.

Reappointment of External Auditor

KPMG, the Group's external auditor, has indicated their willingness to continue in office and in accordance with Section 489 of the Act, a resolution to re-appoint them will be put to the 2025 AGM.

Annual General Meeting

Details of the Company's 2025 AGM are included in the Notice of AGM accompanying this Annual Report. The Notice of AGM sets out the business of the meeting and includes an explanation of all resolutions to be proposed. Separate resolutions will be proposed in respect of each substantive issue. The AGM is also used by the Board to take account of views expressed by shareholders and proxy bodies at and following AGMs, updating future proposals as and when appropriate.

By order of the Board.

Tony Hunter

Company Secretary
8 April 2025

Statement of Directors’ Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations. Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the Group’s profit or loss for that year.

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the Group’s profit or loss for that year.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company’s transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors’ Report, Directors’ Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement of the Directors in Respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, 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; and
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face. We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group’s position and performance, business model and strategy.

On behalf of the Board

Mansour Al Alami

Executive Chairman
8 April 2025

Opinion

We have audited the financial statements of Gulf Marine Services PLC ('the Company') and its consolidated undertakings ('the Group') for the year ended 31 December 2024 set out on pages 96 to 148, which comprise the consolidated statement of profit or loss and other comprehensive income, the consolidated and Company statements of financial position, the consolidated and Company statements of changes in equity, the consolidated statement of cash flows and related notes, including the material accounting policies set out in note 3.

The financial reporting framework that has been applied in the preparation of the Group financial statements is UK Law, UK adopted international accounting standards and, as regards the Company financial statements, UK Law and UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the directors on 15 August 2022. The period of total uninterrupted engagement is for the 3 financial years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with UK ethical requirements, including the Financial Reporting Council (FRC)'s Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

Conclusions relating to going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included:

- Obtaining and evaluating the directors' cash flow projections and challenging each key assumption applied through:
  - comparing forecast day rates to signed contracts for contracted periods, and challenging the basis adopted for day rates elsewhere in the calculations;
  - performing retrospective analysis of the directors' historic budgeting accuracy and comparing historical forecast revenues and costs to actuals;
  - assessing whether other assumptions used in the directors' forecasts including operating expenditure, capital expenditure and working capital assumptions are reasonable;
  - making enquiries of the directors as to its knowledge of events or conditions and related business risks beyond the period of assessment used by the directors (12 months from the date of approval of the financial statements) that may cast significant doubt on the Group's and Company's ability to continue as a going concern;
  - assessing whether the directors have appropriately reflected impacts arising from climate change and energy transition in the going concern period;
  - challenging the appropriateness of downside and stress test scenarios in order to assess the reasonableness of the assumptions included;
  - challenging the Group regarding the status of the contract pipeline and the likelihood and timing of contract awards;
- Recalculating the covenant ratios in accordance with the term loan facility to determine whether any breaches of those covenants exist in the forecast cash flows;
- Testing the mathematical accuracy of the cash flow model used by the directors to prepare the forecasts and resulting covenant calculations;
- Determining whether the cash flow projections are consistent with those used in the Group's assessment of the recoverability of the carrying value of its marine vessels and substantiating any differences; and
- Assessing the related disclosures in the Annual Report.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the Company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

In relation to the Group and the Company's reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Company will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with the directors. In addition, our risk assessment procedures included:

- Inquiring with the directors and other management as to the Group's policies and procedures regarding compliance with laws and regulations, identifying, evaluating and accounting for litigation and claims, as well as whether they have knowledge of non-compliance or instances of litigation or claims.
- Inquiring of directors, the Audit and Risk Committee, and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud , including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Inquiring of directors and the Audit and Risk committee regarding their assessment of the risk that the financial statements may be materially misstated due to irregularities, including fraud.
- Inspecting the Group's regulatory and legal correspondence.
- Reading Board and the Audit and Risk committee meeting minutes.
- Performing planning analytical procedures to identify any usual or unexpected relationships.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Group's licence to operate. We identified the following areas as those most likely to have such an effect: UK Companies Act, Listing Rules and tax legislation recognising the nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures, we identified actual or suspected non-compliance and considered the effect as part of our procedures on the related financial statement items.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition. We identified fraud risks in relation to the Group charter hire revenue and assessment of the recoverability of the carrying value of the Group's marine vessels.

Further detail in respect of Charter hire revenue and Impairment of vessels is set out in the key audit matter disclosures in this report.

In response to the fraud risks, we also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.
- Evaluating the business purpose of significant unusual transactions.
- Assessing significant accounting estimates for bias.
- Assessing the disclosures in the financial statements.

As the Group is regulated, our assessment of risks involved obtaining an understanding of the legal and regulatory framework that the Group operates and gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows (unchanged from (2023)):

Group key audit matters

Impairment and Impairment Reversals of the Group's Vessels (net Reversal: US$ 9.2 million) (2023: US$ 33.4 million) and Company's Investment in Subsidiary (reversal US$ 75 million (2023: US$ 120 million)).

Refer to page 108 (Group accounting policy) and pages 114 to 117 (Group financial disclosures), page 141 (Parent Company accounting policy) and pages 143 to 145 (Parent Company financial disclosures).

The key audit matter	How the matter was addressed in our audit
The Group's vessels are the largest balance in the Group financial statements, with a carrying amount of US$ 549 million at 31 December 2024 (2023: US$ 562.2 million). As described in Note 5 certain factors, such as the improvement in day rates, utilisation and the market outlook underpinned by an increased oil price and production environment were indications that the value of the marine vessels may have increased as of 31 December 2024 compared to 31 December 2024. As a result of these triggering events, the Group undertook an assessment of the recoverability of the carrying value of its marine vessels as of 31 December 2024. This assessment involved comparing the carrying value of each vessel, which is deemed by the Group to be an individual cash generating unit ('CGU'), with its respective recoverable amount, being the higher of value in use ('VIU') and fair value less cost to sell. Following this assessment the Group recognised a net impairment reversal of US$ 9.2 million in the year ended 31 December 2024 for its vessels. As with the prior year, a fair valuation was conducted in compliance with Group's bank lending arrangements of the Group's marine vessels as at 31 December 2024. As described in Note 4, management concluded that recoverable amount of each vessel should be based on VIU. The calculation of VIU is underpinned by assumptions, notably day and utilisation rates and the nominal pre-tax discount rate. As disclosed in Note 4, these assumptions, particularly the respective vessel' day and utilisation rates beyond their contracted term, are identified as key sources of estimation uncertainty and judgement. Due to the sensitivity of the recoverable amounts to these key assumptions and the subjectivity and judgement involved impacting the net impairment reversal in the current year, we identified a significant risk relating to these assumptions with regard to the Group's vessels. Furthermore, we also identified a potential for management bias through possible manipulation of these assumptions and the resulting recoverable amount. The carrying amount of Company's investment in its subsidiaries represents 79% (2023: 80%) of the Company's total assets. The recoverability of investments is primarily impacted by the VIU of the marine vessels owned by the Company's subsidiary undertakings. For the reasons outlined above the engagement team determine this matter to be a key audit matter.	Our key audit procedures are described below. • We obtained an understanding of the relevant control surrounding the Group's preparation of the discounted cash flow model (VIU), including the assumed day and utilisation rates and the rate applied to discount the cash flows; • We tested by enquiry, the reasonableness of the valuation methodology and key assumptions underpinning the fair value less cost to sell of the Group's vessels as of 31 December 2024 reported by the external valuer appointed by the Group's lending banks. We also assessed for reasonableness of the competence, capabilities and objectivity of that expert; With respect to the VIU model, we: • tested its mathematical accuracy • challenged the reasonableness of the assumed day and utilisation rates by reading contracts for secured backlog, assessing likelihood of current pipeline opportunities by inspecting underlying evidence such as tender documents and corroborating these key assumptions through enquires of the Group's commercial management team, and considering the historical rates achieved for individual vessels to assess whether forward looking assumptions are within a reasonable range; • inspected the report on forecast day and utilisation rates indicated by an external assessor for the Group's marine vessels, particularly with respect to those rates beyond the respective vessels' contracted terms and also discussed these key assumptions with that external assessor as part of our procedures to assess these assumptions for reasonableness. We also undertook procedures to assess the external assessor's independence, competence and capabilities for the purpose of providing its report; • A key judgement was made by the audit team to involve our specialist to assess the reasonableness of the rate applied to discount the forecast cash flows to their present value; • agreed the operating and capital expenses assumed in the model to the Group's approved budget and assessed the reasonableness of these assumptions by performing a retrospective budget versus actual analysis to gauge the Group's historical forecasting accuracy and analytically reviewing forecast costs against historical levels; • Considering the procedures above, we performed an overall stand back assessment to determine whether the Group's VIU estimate was reasonable and assessed whether there was any evidence of management bias with respect to its VIU calculations; • We assessed the impact of the Group's stated commitments around climate change and energy transition on its assumed cash flow projections. We also considered the existence of any contradictory evidence that was identified through the performance of each of these procedures and weighed such evidence in our overall conclusions. Such evidence included the relevant long-term outlook from external industry and market observers; and • We assessed the adequacy and reasonableness of the related disclosures in the financial statements in accordance with relevant accounting standards, including the Group vessels' sensitivities to future impairment/impairment reversals and the Parent Company's sensitivity to future impairment/impairment reversals. Based on evidence obtained, we found that the Group's recognition of a net impairment reversal of $9.2 million as of 31 December 2024, and the calculations underpinning it and the related disclosures in note 5 was reasonable. We noted that the Group's carrying value of its marine vessels continues to be sensitive to further impairment or impairment reversal subject to changes in assumed day and utilisation rates and the discount rate applied to arrive at each vessels' VIU, as described in note 5, and that this assessment is subject to significant estimation and judgement, as described in note 4. We found that the parent Company's investment in subsidiaries and the related impairment reversal to be acceptable. We identified that the Group's controls throughout the process of preparing and reviewing the value in use calculations, were not sufficiently robust to identify errors in the overall assessment. Our audit procedures appropriately responded to the control deficiencies identified.

Recognition of Charter Hire and Lease Revenue of Group: US$ 144 Million (2023: US$ 133 million)

Refer to pages 105 to 107 (accounting policy) and page 135 (financial disclosures)

The key audit matter	How the matter was addressed in our audit
ach of the Group’s vessels earns revenues on the basis of a specific contract with the relevant counterparty. Each contract will typically specify a day rate, which can vary significantly by vessel and by counterparty, as well as a standby rate for when the vessel is available for use but not operational. As disclosed in the accounting policies in Note 3, revenue is recognised over the term of the contract for certain performance obligations. Accordingly, in order for revenue to be recorded appropriately, management must: • accurately record the number of days both on hire and on standby (to ensure both completeness and accuracy); • apply the correct contractual rates, net of any agreed discounts, to the number of days in each of these categories (to ensure accuracy); and • ensure there is an appropriate process for reviewing all contracts in place to ensure contractual terms are accounted for in line with both the lessor accounting requirements of IFRS 16 (given the required allocation under IFRS 16 to leasing revenue for hired equipment on board) and the revenue recognition principles of IFRS 15. Due to the significant variability in contract terms by vessel and by counterparty, and the potential for management bias to record higher revenues given it is a key performance indicator for the Group, the engagement team determine the accurate recording of charter hire revenue (and by extension, lease revenue) to be a key audit matter.	Our key audit procedures are described below. We evaluated and tested the design and operating effectiveness of the relevant control in the revenue business process; We performed a recalculation of charter hire revenue on the number of days on hire/standby based on customer/third party signed logs and obtained supporting explanations for any gaps and reconciled this to our knowledge of each vessel’s operational performance during the period; We agreed the respective marine vessel day rates and terms of hire to the underlying contracts; We inspected a selection of journals to assess for any evidence of fraudulent revenue recognition and compared any identified journals to supporting documentation; and We performed a reconciliation of total billings and total cash receipts during the year, along with year on year movements in revenue related balance to obtain, in our judgement, additional high level audit evidence around the completeness, existence and accuracy of revenue recognition. • Based on the above audit procedures we did not find any material uncorrected error in the Group’s calculation of charter hire revenue. We identified that management’s controls throughout the process of preparing and reviewing the revenue recognition, were not sufficiently robust to identify errors in the overall assessment. Our audit procedures appropriately responded to the control deficiencies identified.

Our application of materiality and an overview of the scope of our audit

Materiality for the Group and Company financial statements was set at US$ 1.3 million (2023: US$ 1.2 million) and US$ 1.3 million (2023:US$ 1.2 million) respectively, determined with reference to a benchmark of total Group revenues and Company total assets (of which it represents 0.8% (2023: 0.8%) and 0.23% (2023: 0.26%) respectively.

Performance materiality for the Group financial statements and Company financial statements as a whole was set at 65% of materiality (2023: 65%) US$ 0.85 million (2023: US$ 0.78 million) and US$ 0.85 million (2023: US$ 0.78 million) respectively. In applying our judgement in determining performance materiality, we considered a number of factors including the level of identified misstatements/control deficiencies/changes in the control environment during the prior period. We applied this percentage in our determination of performance materiality based on the level of identified misstatements/control deficiencies/changes in the control environment during the prior period.

In our judgement, we consider total revenue to be the most appropriate benchmark for the Group financial statements as it provides a more stable measure year on year than group profit before tax.

We consider total assets to be the most appropriate benchmark for the Parent Company's financial statements as the primary nature of the Parent Company is to hold investments in subsidiaries.

We reported to the Audit and Risk Committee any corrected or uncorrected identified misstatements exceeding US$ 67,000 (2023: US$ 60,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

We applied Group and Parent company's performance materiality to assist us determine what risks were significant risks for the Group and Parent company respectively.

Our audit was conducted to the materiality levels specified above and was performed by the engagement team in Dublin with the assistance of the Abu Dhabi office.

We have nothing to report on the other information in the annual report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic report, the governance section of the annual report, the glossary, the other definitions and the corporate information. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Opinions on other matters prescribed by the Companies Act 2006

Strategic report and directors' report

Based solely on our work on the other information undertaken during the course of the audit:

- we have not identified material misstatements in the directors' report or the strategic report;
- in our opinion, the information given in the strategic report and the directors' report is consistent with the financial statements;
- in our opinion, the strategic report and the directors' report have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 86 to 87;
- Directors' explanation as to their assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on pages 86 to 87;
- Director's statement on whether it has a reasonable expectation that the Group will be able to continue in operation and meets its liabilities set out on pages 86 to 87;
- Directors' statement on fair, balanced and understandable and the information necessary for shareholders to assess the Group's position and performance, business model and strategy set out on page 88;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the annual report that describe the principal risks and the procedures in place to identify emerging risks and explain how they are being managed or mitigated set out on pages 24 to 30;
- Section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 64; and
- Section describing the work of the audit committee set out on pages 63 to 65.

Based solely on our work on the other information described above:

- with respect to the Corporate Governance Statement disclosures about internal control and risk management systems in relation to financial reporting processes and about share capital structures:
- we have not identified material misstatements therein; and
- the information therein is consistent with the financial statements and has been prepared in accordance with the applicable legal requirements; and
- in our opinion, the Corporate Governance Statement has been prepared in accordance with relevant rules of the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

We are also required to report to you if a corporate governance statement has not been prepared by the Company. We have nothing to report in these respects.

We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 88, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The Company is required to include these financial statements in an annual financial report prepared under Disclosure Guidance and Transparency Rule 4.1.17R and 4.1.18R. This auditor's report provides no assurance over whether the annual financial report has been prepared in accordance with those requirements.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Terence Coveney (Senior Statutory Auditor)

for and on behalf of KPMG, Statutory Auditor

8 April 2025

1 Harbourmaster Place
IFSC Dublin 1
D01 F6F5

Consolidated statement of profit or loss and other comprehensive income
For the year ended 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Revenue	28, 31	**167,494**	151,603
Cost of sales		**(85,079)**	(81,987)
Impairment loss of property and equipment	5, 28	**(9,394)**	(3,565)
Reversal of impairment of property and equipment	5, 28	**18,621**	36,993
Expected credit losses	9	**(2,006)**	(207)
Gross profit		**89,636**	102,837
General and administrative expenses		**(17,028)**	(14,645)
Operating profit		**72,608**	88,192
Finance income	32	**89**	221
Impact of change in fair value of warrants	11	**(5,348)**	(11,077)
Finance expense	33	**(23,517)**	(31,431)
Foreign exchange loss, net	34	**(674)**	(987)
Other income		**23**	12
Profit for the year before taxation		**43,181**	44,930
Taxation charge for the year	8	**(4,921)**	(2,862)
Net profit for the year		**38,260**	42,068
Other comprehensive income – items that may be reclassified to profit or loss:			
Net hedging gain reclassified to the profit or loss	33	**–**	279
Net exchange (loss)/gain on translation of foreign operations		**(90)**	343
Total comprehensive income for the year		**38,170**	42,690
Profit attributable to:			
Owners of the Company		**37,976**	41,342
Non-controlling interest	18	**284**	726
		38,260	42,068
Total comprehensive income attributable to:			
Owners of the Company		**37,886**	41,964
Non-controlling interest	18	**284**	726
		38,170	42,690
Earnings per share:			
Basic (cents per share)	30	**3.61**	4.07
Diluted (cents per share)	30	**3.39**	3.92

All results are derived from continuing operations in each year. There are no discontinued operations in either year.

The attached Notes 1 to 36 form an integral part of these consolidated financial statements.

Consolidated statement of financial position
As at 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Assets			
Non-current assets			
Property and equipment	5	**592,233**	606,412
Dry docking expenditure	6	**11,867**	11,204
Right-of-use assets	7	**4,225**	3,347
Total non-current assets		**608,325**	620,963
Current assets			
Trade receivables	9	**25,575**	30,646
Prepayments, advances and other receivables	10	**9,229**	8,057
Cash and cash equivalents	12	**40,007**	8,666
Total current assets		**74,811**	47,369
Total assets		**683,136**	668,332
Equity and liabilities			
Capital and reserves			
Share capital – Ordinary	13	**31,472**	30,117
Capital redemption reserve	13	**46,445**	46,445
Share premium account	13	**111,995**	99,105
Restricted reserve	14	**272**	272
Group restructuring reserve	15	**(49,710)**	(49,710)
Capital contribution	16	**9,177**	9,177
Translation reserve	17	**(2,632)**	(2,542)
Retained earnings	17	**232,679**	194,703
Attributable to the owners of the Company		**379,698**	327,567
Non-controlling interest	18	**2,998**	2,714
Total equity		**382,696**	330,281
Current liabilities			
Trade and other payables	20	**37,795**	35,054
Current tax liability		**10,430**	7,032
Bank borrowings – scheduled repayments within one year	21	**39,597**	41,500
Lease liabilities	22	**3,503**	1,623
Derivative financial instruments	11	**9,192**	14,275
Total current liabilities		**100,517**	99,484
Non-current liabilities			
Provision for employees' end of service benefits	19	**2,640**	2,395
Bank borrowings – scheduled repayments more than one year	21	**196,425**	234,439
Lease liabilities	22	**858**	1,733
Total non-current liabilities		**199,923**	238,567
Total liabilities		**300,440**	338,051
Total equity and liabilities		**683,136**	668,332

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 08 April 2025. Registered Company 08860816. They were signed on its behalf by:

Mansour Al Alami

Executive Chairman

The attached Notes 1 to 36 form an integral part of these consolidated financial statements.

Consolidated statement of changes in equity
For the year ended 31 December 2024

	Share capital – Ordinary US$'000	Capital redemption reserve US$'000	Share premium account US$'000	Restricted reserve US$'000
At 1 January 2023	30,117	46,445	99,105	272
Profit for the year	–	–	–	–
Other comprehensive income for the year				
Net hedging gain on interest hedges reclassified to the profit or loss	–	–	–	–
Exchange differences on foreign operations	–	–	–	–
Total comprehensive income for the year	–	–	–	–
Transactions with owners of the Company				
Share based payment charge	–	–	–	–
Transfer of share option reserve	–	–	–	–
Total transactions with owners of the Company	–	–	–	–
At 31 December 2023	30,117	46,445	99,105	272
Profit for the year	**–**	**–**	**–**	**–**
Other comprehensive income for the year				
Exchange differences on foreign operations	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**–**	**–**
Transactions with owners of the Company				
Issue of share capital	**1,355**	**–**	**12,973***	**–**
Share issuance costs	**–**	**–**	**(83)**	**–**
Total transactions with owners of the Company	**1,355**	**–**	**12,890**	**–**
At 31 December 2024	**31,472**	**46,445**	**111,995**	**272**

* Addition to share premium amount reflects cash proceeds US$ 2.5million and release of warrants liability of US$ 10.4million upon exercise of warrants.

Refer to Notes 13 to 17 for description of each reserve.

The attached Notes 1 to 36 form an integral part of these consolidated financial statements.

	Group restructuring reserve US$'000	Share-based payment reserve US$'000	Capital contribution US$'000	Cash flow hedge reserve US$'000	Translation reserve US$'000	Retained earnings US$'000	Attributable to the owners of the Company US$'000	Non-controlling interest US$'000	Total equity US$'000
	(49,710)	3,632	9,177	(279)	(2,885)	149,712	285,586	1,988	287,574
	–	–	–	–	–	41,342	41,342	726	42,068
	–	–	–	279	–	–	279	–	279
	–	–	–	–	343	–	343	–	343
	–	–	–	279	343	41,342	41,964	726	42,690
	–	17	–	–	–	–	17	–	17
	–	(3,649)	–	–	–	3,649	–	–	–
	–	(3,632)	–	–	–	3,649	17	–	17
	(49,710)	–	9,177	–	(2,542)	194,703	327,567	2,714	330,281
	–	**–**	**–**	**–**	**–**	**37,976**	**37,976**	**284**	**38,260**
	–	**–**	**–**	**–**	**(90)**	**–**	**(90)**	**–**	**(90)**
	–	**–**	**–**	**–**	**(90)**	**37,976**	**37,886**	**284**	**38,170**
	–	**–**	**–**	**–**	**–**	**–**	**14,328**	**–**	**14,328**
	–	**–**	**–**	**–**	**–**	**–**	**(83)**	**–**	**(83)**
	–	**–**	**–**	**–**	**–**	**–**	**14,245**	**–**	**14,245**
	(49,710)	**–**	**9,177**	**–**	**(2,632)**	**232,679**	**379,698**	**2,998**	**382,696**

Consolidated statement of cash flows
For the year ended 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Operating activities			
Profit for the year		**38,260**	42,068
Adjustments for:			
Depreciation of property and equipment	5	**26,194**	24,297
Finance expenses		**23,511**	31,431
Impact of change in fair value of warrants	11	**5,348**	11,077
Amortisation of dry-docking expenditure	6	**5,324**	4,687
Depreciation of right-of-use assets	7	**4,641**	3,188
Amortisation of borrowings issue cost		**6**	–
Income tax expense	8	**4,921**	2,862
Net charge of expected credit losses	9	**2,006**	207
End of service benefits charge	19	**525**	723
Impairment loss	5	**9,394**	3,565
Reversal of impairment	5	**(18,621)**	(36,993)
End of service benefits paid	19	**(280)**	(468)
Interest income	32	**(89)**	(221)
Other income		**(23)**	(12)
Cash flows from operating activities before movement in working capital		**101,117**	86,411
Changes in:			
– trade and other receivables		**1,893**	2,003
– trade and other payables		**2,949**	8,140
Cash generated from operations		**105,959**	96,554
Taxation paid		**(2,399)**	(2,151)
Net cash generated from operating activities		**103,560**	94,403
Investing activities			
Payments for additions of property and equipment		**(2,788)**	(3,459)
Dry docking spend excluding drydock accruals		**(6,070)**	(9,550)
Interest received		**89**	221
Net cash used in investing activities		**(8,769)**	(12,788)
Financing activities			
Proceeds from issue of share capital on exercise of warrants		**3,897**	–
Share issuance cost		**(83)**	–
Proceeds from bank borrowings	35	**241,189**	2,000
Payment of borrowings issue cost	35	**(5,173)**	–
Repayment of bank borrowings	35	**(275,939)**	(56,174)
Interest paid on bank borrowings	35	**(21,612)**	(27,428)
Principal elements of lease payments	35	**(4,478)**	(3,330)
Settlement of derivatives	35	**–**	327
Other finance expenses paid		**(790)**	(374)
Interest paid on leases	35	**(461)**	(245)
Net cash used in financing activities		**(63,450)**	(85,224)
Net increase/(decrease) in cash and cash equivalents		**31,341**	(3,609)
Cash and cash equivalents at the beginning of the year		**8,666**	12,275
Cash and cash equivalents at the end of the year	12	**40,007**	8,666
Non-cash transactions			
Recognition of right-of-use assets		**5,519**	3,231
Addition/(reversal) to capital accruals		**–**	867
(Decrease)/increase in in drydock accruals		**(83)**	2,590
Release of derivative liability		**(10,431)**	–

The attached Notes 1 to 36 form an integral part of these consolidated financial statements.

1 General information

Gulf Marine Services PLC ("GMS" or "the Company") is a company which is limited by shares and is registered and incorporated in England and Wales on 24 January 2014. The Company is a public limited company with operations mainly in the Arabian Peninsula region and Europe. The address of the registered office of the Company is 107 Hammersmith Road, London, United Kingdom, W14 0QH. The registered number of the Company is 08860816. The shareholder pattern of the Group is disclosed on the page 85.

The principal activities of GMS and its subsidiaries (together referred to as "the Group") are chartering and operating a fleet of specially designed and built vessels. All information in the notes relate to the Group, not the Company unless otherwise stated.

The Company and its subsidiaries are engaged in providing self-propelled, self-elevating support vessels, which provide a stable platform for delivery of a wide range of services throughout the total lifecycle of offshore oil, gas and renewable energy activities and which are capable of operations in the Arabian Peninsula, Europe and other regions.

2 Adoption of new and revised International Financial Reporting Standards (IFRS)

The accounting policies and methods of computation adopted in the preparation of these consolidated financial statements are consistent with those followed in the preparation of the Group's consolidated annual financial statements for the year ended 31 December 2023, except for the adoption of new standards and interpretations effective as at 1 January 2024.

New and revised IFRSs

The following new and revised IFRSs have been adopted in these consolidated financial statements. The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

	Effective for annual periods beginning on or after
Amendments to IAS 1 Classification of Liabilities as Current or Non-Current and Non-Current Liabilities with Covenants	1 January 2024
Amendments to IAS 7 and IFRS 7 Supplier Finance Arrangements	1 January 2024
Amendments to IFRS 16 Lease Liability in a Sale and Leaseback	1 January 2024

New and revised IFRSs in issue but not yet effective

At the date of authorisation of these consolidated financial statements, the following new and revised IFRSs were in issue but not yet effective:

	Effective for annual periods beginning on or after
Amendments to IAS 21 Lack of Exchangeability	1 January 2025
Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements IFRS 18 will replace IAS 1 for reporting periods commencing on or after 1 January 2027. The following key changes will apply; 1. Operating profit will be defined as a residual capturing all income and expenses not classified as investing or financing items. 2. The operating profit line will be the start of the cash flow statement. 3. Additional disclosures will be included in the accounts on management defined performance measures. 4. Enhanced guidance is provided on how to group items in the primary financial statements and the notes. The company is still assessing the impact of the new standard with respect to the structure of the income statement and how information is grouped in the financial statements including items labeled as other.	1 January 2027
IFRS 19 Subsidiaries without Public Accountability Disclosures	1 January 2027
Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Optional

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and the impact of adoption of these new standards, interpretations and amendments is currently being assessed on the consolidated financial statements of the Group before the period of initial application.

3 Material accounting policies

The Group's material accounting policies adopted in the preparation of these consolidated financial statements are set out below. Except as noted in Note 2, these policies have been consistently applied to each of the years presented.

Statement of compliance

The consolidated financial statements have been prepared in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006.

Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

For financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies adopted are set out below.

Going concern

The Directors have assessed the Group's financial position through to June 2026 and hold a reasonable expectation of its ability to continue as going concern for the foreseeable future. With four consecutive years of reported profit and a forecast of continued positive operating cash flows, particularly in light of the market outlook, the Group remains well-positioned for sustained success.

In December 2024, the Group completed the refinancing of a US$ 300.0 million (AED 1,101.5 million) loan facility (comprising a US$ 250.0 million (AED 924.0 million) term loan amortised over five years and a US$ 50.0 million (AED 177.5 million) working capital facility), denominated in United Arab Emirates Dirhams (AED). The working capital facility includes a cash commitment of US$ 20.0 million (31 December 2023: US$ 20.0 million), but if no cash is drawn, the full facility remains available for performance bonds and guarantees. The working capital facility expires alongside the main debt facility in December 2029. The three banks, two of which are current lenders, have an equal participation in the term loan and in the working capital facility.

The refinancing was secured at a more favourable interest rate, which is based on EIBOR plus a margin. The margin is determined by a ratchet depending on leverage levels. The improved terms will lower financing costs and enhance the Group's flexibility in capital allocation.

The Group closely monitors its liquidity and is expected to meet its short-term obligations over the next twelve months. Subsequent to the year end, the Group made prepayments of US$ 40.3 million towards its bank borrowings. The loan prepayments were made after taking into account the forecast cashflows for 2025.

The forecast used for Going Concern reflects management's key assumptions including those around vessel utilisation, vessel day rates on a vessel-by-vessel basis. Specifically, these assumptions are:

- average day rates across the fleet are assumed to be US$ 34.8k for the 18-month period to 30 June 2026;
- 92% forecast utilisation for the 18-month period to 30 June 2026;
- pipeline of tenders and opportunities for new contracts that would commence during the forecast period.

A downside case was prepared using the following assumptions:

- no work-to-win during the 18-months period to 30 June 2026;
- options for five vessel contracts are not exercised by the customers during the 18-months period to 30 June 2026;
- 16 percentage points reduction in utilisation for the 18-months period to 30 June 2026;
- interest rate on EIBOR to remain at current levels.

Based on the above scenario, the Group would not be in breach of its current term loan facility. The downside case is considered to be severe, but it would still leave the Group with sufficient liquidity and in compliance with the covenants under the Group's banking facilities throughout the assessment period.

In addition to the above downside sensitivity, the Directors have also considered a reverse stress test, where EBITDA has been sufficiently reduced to breach debt covenant. This scenario assumes a substantial increase in operational downtime to 19%, compared to the base case cashflows with a 2.5% operational downtime. The significant increase in operational downtime for the forecast period would result in breach of the Debt Service Cover ratios. However, it is important to note, that GMS has reported annual operational downtime of less than 2.5% over the past five years.

Should circumstances arise that differ from the Group's projections, the Directors believe that a number of mitigating actions can be executed successfully in the necessary timeframe to meet debt repayment obligations as they become due and in order to maintain liquidity. Potential mitigating actions include the vessels off hire for prolonged periods could be cold stacked to minimise operating costs on these vessels which has been factored into the downside case. Additional mitigations could be considered including but not limited to reduction in overhead costs, relaxation/waiver from covenant compliance and rescheduling of repayments with lenders.

Going concern continued

Management is aware of the broader operating context and acknowledges the potential impact of climate change on the Group's consolidated financial statements. However, it is anticipated that climate change will have limited effect during the going concern assessment period.

After considering reasonable risks and potential downsides, the Group's forecasts suggest that its bank facilities, combined with high utilisation at higher day rates and a pipeline of near-term opportunities for additional work, will provide sufficient liquidity to meet its needs in the foreseeable future. Accordingly, the consolidated financial statements for the Group for the year ended 31 December 2024 have been prepared on a going concern basis.

Basis of consolidation

These consolidated financial statements incorporate the financial statements of GMS and subsidiaries controlled by GMS. The Group has assessed the control which GMS has over its subsidiaries in accordance with IFRS 10 Consolidated Financial Statements, which provides that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Details of GMS's subsidiaries at 31 December 2024 and 2023 are as follows:

			Proportion of Ownership Interest		
Name	**Place of Registration**	**Registered Address**	**2024**	2023	**Type of Activity**
Gulf Marine Services W.L.L.	United Arab Emirates	Office 403, International Tower, 24th Karama Street, P.O. Box 46046, Abu Dhabi, United Arab Emirates	**100%**	100%	Marine Contractor
Gulf Marine Services W.L.L. – Qatar Branch	Qatar	22 Floor, Office 22, Tornado Tower, Majilis Al Tawoon Street, P.O. Box 27774, Doha, Qatar	**100%**	100%	Marine Contractor
GMS Global Commercial Invt LLC	United Arab Emirates	Office 403, International Tower, 24th Karama Street, P.O. Box 46046, Abu Dhabi, United Arab Emirates	**100%**	100%	General Investment
Gulf Marine Middle East FZE	United Arab Emirates	ELOB, Office No. E-16F-04, P.O. Box 53944, Hamriyah Free Zone, Sharjah	**100%**	100%	Operator of offshore barges
Gulf Marine Saudi Arabia Co. Limited	Saudi Arabia	King Fahad Road, Al Khobar, Eastern Province , P.O. Box 31411 Kingdom Saudi Arabia	**75%**	75%	Operator of offshore barges
Gulf Marine Services LLC	Qatar	41 Floor, Tornado Tower, West Bay, Doha, Qatar, POB 6689	**100%**	100%	Marine Contractor
Gulf Marine Services (UK) Limited	United Kingdom	c/o MacKinnon's, 14 Carden Place, Aberdeen, AB10 1UR	**100%**	100%	Operator of offshore barges
GMS Jersey Holdco. 1* Limited	Jersey	12 Castle Street, St. Helier, Jersey, JE2 3RT	**100%**	100%	General Investment
GMS Jersey Holdco. 2 Limited	Jersey	12 Castle Street, St. Helier, Jersey, JE2 3RT	**100%**	100%	General Investment
Offshore Holding Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Holding Company
Offshore Logistics Invt SA**	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Dormant
Offshore Accommodation Invt SA**	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Dormant
Offshore Jack-up Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Kamikaze"
Offshore Structure Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Kikuyu"
Offshore Craft Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "GMS Endeavour"
Offshore Maritime Invt SA**	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Dormant

3 Material accounting policies continued

Basis of consolidation continued

Name	Place of Registration	Registered Address	Proportion of Ownership Interest 2024	2023	Type of Activity
Offshore Tugboat Invt SA**	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Dormant
Offshore Boat Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Kawawa"
Offshore Kudeta Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Kudeta"
GMS Endurance Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Endurance"
GMS Enterprise Investment SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Enterprise"
GMS Sharqi Investment SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Sharqi"
GMS Scirocco Investment SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Scirocco"
GMS Shamal Investment SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Shamal"
GMS Keloa Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Keloa"
GMS Pepper Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Pepper"
GMS Evolution Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of Barge "Evolution"
GMS Phoenix Investment SA**	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Dormant
Gulf Marine Services (Asia) Pte. Limited	Singapore	1 Scotts Road, #21-07, Shaw Centre, Singapore, 228208	**100%**	100%	Operator of offshore barges
Gulf Marine Services (Asia) Pte. Limited – Qatar branch	Qatar	22 Floor, Office 22, Tornado Tower, Majilis Al Tawoon Street, P.O. Box 27774, Doha, Qatar	**100%**	100%	Operator of offshore barges

* Held directly by Gulf Marine Services PLC.
** These dormant subsidiaries wound up on 29 January 2025.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the results of subsidiaries to bring their accounting policies in line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders are initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Basis of consolidation continued

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group. Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. Fair value is determined as the amount for which an asset could be exchanged, or a liability transferred, between knowledgeable, willing parties in an arm's length transaction.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (2008) are recognised at their fair value at the acquisition date.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

Revenue recognition

The Group recognises revenue from contracts with customers as follows:

- Charter revenue;
- Lease income;
- Revenue from messing and accommodation services;
- Manpower income;
- Maintenance income;
- Contract mobilisation revenue;
- Contract demobilisation revenue; and
- Sundry income.

Revenue is measured as the fair value of the consideration received or receivable for the provision of services in the ordinary course of business, net of trade discounts, volume rebates, and sales taxes excluding amounts collected on behalf of third parties. Revenue is recognised when control of the services is transferred to the customer.

Consequently, revenue for the provision of services is recognised either:

- Over time during the period that control incrementally transfers to the customer and the customer simultaneously receives and consumes the benefits. The Group has applied the practical expedient and recognises revenue over time in accordance with IFRS 15 i.e. the amount at which the Group has the right to invoice clients.
- Wholly at a single point in time when GMS has completed its performance obligation.

Revenue recognised over time

The Group's activities that require revenue recognition over time includes the following performance obligation:

Performance obligation 1 – Charter revenue, contract mobilisation revenue, revenue from messing and accommodation services, and manpower income

Chartering of vessels, mobilisations, messing and accommodation services and manpower income are considered to be a combined performance obligation as they are not separately identifiable and the Group's clients cannot benefit from these services on their own or together with other readily available resources. This performance obligation, being the service element of client contracts, is separate from the underlying lease component contained within client contracts which is recognised separately.

Revenue is recognised for certain mobilisation related reimbursable costs. Each reimbursable item and amount is stipulated in the Group's contract with the customer. Reimbursable costs are included in the performance obligation and are recognised as part of the transaction price, because the Group is the primary obligor in the arrangement, has discretion in supplier selection and is involved in determining product or service specifications.

Performance obligation 2 – Sundry income

Sundry income that relates only specifically to additional billable requirements of charter hire contracts are recognised over the duration of the contract. For the component of sundry income that is not recognised over time, the performance obligation is explained below.

3 Material accounting policies continued

Revenue recognised at a point in time

The Group's activities that require revenue recognition at a point in time include the following performance obligations.

Performance obligation 1 – Contract demobilisation revenue

Lump-sum fees received for equipment moves (and related costs) as part of demobilisations are recognised when the demobilisation has occurred at a point in time.

Performance obligation 2 – Sundry income

Sundry income includes handling charges, which are applied to costs incurred by the Group and subsequently billed to the customer. Revenue is recognised when it is billed to the customer, as this is when the performance obligation is fulfilled, and control has passed to the customer.

Deferred and accrued revenue

Clients are typically billed on the last day of specific periods that are contractually agreed upon. Where there is delay in billing, accrued revenue is recognised in trade and other receivables for any services rendered where clients have not yet been billed (see Note 9).

As noted above, lump sum payments are sometimes received at the outset of a contract for equipment moves or modifications. These lump sum payments give rise to deferred revenue in trade and other payables (see Note 20).

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for certain short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets.

Low value assets have a low value purchase price when new, typically US$ 5,000 or less, and include items such as tablets and personal computers, small items of office furniture and telephones. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed. Leases of operating equipment linked to commercial contracts are recognised to match the length of the contract even where the contract term is less than 12 months.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the Group's incremental borrowing rate. This is the rate that would be available on a loan with similar conditions to obtain an asset of a similar value.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

There were no such remeasurements made during the year (2023: nil).

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Leases continued

The Group as lessee continued

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property and Equipment' policy.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group as a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand- alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Group's contracts with clients contain an underlying lease component separate to the service element. These leases are classified as operating leases and the income is recognised on a straight line basis over the term of the lease.

The Group applies IFRS 15 to allocate consideration under each component based on its standalone selling price. The standalone selling price of the lease component is estimated using a market assessment approach by taking the market rate, being the contract day rate and deducting all other identifiable components, creating a residual amount deemed to be the lease element.

Property and equipment

Property and equipment is stated at cost which includes capitalised borrowing costs less accumulated depreciation and accumulated impairment losses (if any). The cost of property and equipment is their purchase cost together with any incidental expenses of acquisition. Subsequent expenditure incurred on vessels is capitalised where the expenditure gives rise to future economic benefits in excess of the originally assessed standard of performance of the existing assets.

The costs of contractual equipment modifications or upgrades to vessels that are permanent in nature are capitalised and depreciated in accordance with the Group's fixed asset capitalisation policy. The costs of moving equipment while not under contract are expensed as incurred.

Depreciation is recognised so as to write-off the cost of property and equipment less their estimated residual values over their useful lives, using the straight-line method. The estimated residual values of vessels and related equipment are determined taking into consideration the expected scrap value of the vessel, which is calculated based on the weight and the market rate of steel at the time of asset purchase.

If the price per unit of steel at the balance sheet date varies significantly from that on date of purchase, the residual value is reassessed to reflect changes in market value.

The estimated useful lives used for this purpose are:

Vessels*	35 years
Vessel spares, fittings and other equipment*	3 – 20 years
Others**	3 – 5 years

* Depreciation of these assets is charged to cost of sales.
** Depreciation of these assets is charged to general and administrative expenses.

Taking into consideration independent professional advice, management considers the principal estimated useful lives of vessels for the purpose of calculating depreciation to be 35 years from the date of construction of the vessel.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised within administrative expenses in the profit or loss. The depreciation charge for the year is allocated between cost of sales and administrative expenses, depending on the usage of the respective assets.

3 Material accounting policies continued

Dry docking

Dry docking costs are costs of repairs and maintenance incurred on a vessel to ensure compliance with applicable regulations and to maintain certification for vessels. The cost incurred for periodical dry docking or major overhauls of the vessels are identified as a separate inherent component of the vessels. These costs depreciate on a straight-line basis over the period to the next anticipated dry docking being approximately 30 months. Costs incurred outside of the dry docking period which relate to major works, overhaul / services, that would normally be carried out during the dry docking, as well as surveys, inspections and third party maintenance (which are part of the dry docking) of the vessels are initially treated as capital work-in-progress ("CWIP") of the specific vessel. Following the transfer of these balances to property and equipment, depreciation commences at the date of completion of the survey. Costs associated with equipment failure are recognised in the profit and loss as incurred.

Capital work-in-progress

Properties and vessels under the course of construction, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss or impairment reversal.

If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. The Group also has separately identifiable equipment (corporate assets) which are typically interchangeable across vessels and where costs can be measured reliably. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The discount rate reflects risk free rates of returns as well as specific adjustments for country risk in the countries the Group operates in, adjusted for a Company specific risk premium, to determine an appropriate discount rate.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Employees' end of service benefits

In accordance with Labour Laws of some of the countries in which we operate, the Group is required to provide for End of Service Benefits for certain employees.

The only obligation of the Group with respect to end of service benefits is to make the specified lump-sum payments to employees, which become payable when they leave the Group for reasons other than gross misconduct but may be paid earlier at the discretion of the Group. The amount payable is calculated as a multiple of a pre-defined fraction of basic salary based on the number of full years of service.

To meet the requirement of the laws of the countries in which we operate, a provision is made for the full amount of end of service benefits payable to qualifying employees up to the end of the reporting period. The provision relating to end of service benefits is disclosed as a non-current liability. The provision has not been subject to a full actuarial valuation or discounted as the impact would not be material.

The actual payment is typically made in the year of cessation of employment of a qualifying employee but may be pre-paid. If the payment is made in the year of cessation of employment, the payment for end of service benefit will be made as a lump-sum along with the full and final settlement of liability to the employee.

The total expense recognised in profit or loss of US$ 0.5 million (2023: US$ 0.7 million) (Note 19) represents the current period cost for the end of service benefit provision made for employees in accordance with the labour laws of companies where we operate.

Foreign currencies

The Group's consolidated financial statements are presented in US Dollars (US$), which is also the functional currency of the Company. All amounts have been rounded to the nearest thousand, unless otherwise stated. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise, except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur, which form part of the net investment in a foreign operation, and which are recognised in the foreign currency translation reserve and recognised in profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial information, the assets and liabilities of the Group's subsidiaries are expressed in US$ using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Adjusting items

Adjusting items are significant items of income or expense in cost of sales, general and administrative expenses, and net finance costs, which individually or, if of a similar type, in aggregate, are relevant to an understanding of the Group's underlying financial performance because of their size, nature or incidence. Adjusting items together with an explanation as to why management consider them appropriate to adjust are disclosed separately in Note 29. The Group believes that these items are useful to users of the Group's consolidated financial statements in helping them to understand the underlying business performance through alternate performance measures that are used to derive the Group's principal non-GAAP measures of adjusted Earnings Before Interest, Taxes, Depreciation, and Amortisation ("EBITDA"), adjusted EBITDA margin, adjusted gross profit/(loss), adjusted operating profit/(loss), adjusted net profit/(loss) and adjusted diluted earnings/(loss) per share, all of which are before the impact of adjusting items and which are reconciled from operating profit/(loss), profit/(loss) before taxation and diluted earnings/(loss) per share. Adjusting items include but are not limited to reversal of impairment credits/(impairment charges), restructuring costs, exceptional legal & tax costs, and non-operational finance-related costs.

3 Material accounting policies continued

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for each subsidiary based on the jurisdiction in which it operates. Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of the assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the profit or loss, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Share-based payments

Long-term incentive plans

The fair value of an equity instrument is determined at the grant date based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted. If market prices are not available for share awards, the fair value of the equity instruments is estimated using a valuation technique to derive an estimate of what the price of those equity instruments would have been at the relevant measurement date in an arm's length transaction between knowledgeable, willing parties.

Equity-settled share-based payments to employees are measured at the fair value of the instruments, using a binomial model together with Monte-Carlo simulations as at the grant date, and is expensed over the vesting period. The value of the expense is dependent upon certain key assumptions including the expected future volatility of the Group's share price at the date of grant. The fair value measurement reflects all market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

Financial assets

Financial assets including derivatives are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss.

The Group has the following financial assets: cash and cash equivalents and trade and other receivables (excluding prepayments and advances to suppliers). These financial assets are classified at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income ("OCI"), it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets continued

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

As the business model of the Group is to hold financial assets to collect contractual cash flows, they are held at amortised cost.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Cash and cash equivalents

Cash and cash equivalents include balances held with banks with original maturities of three months or less and cash on hand.

Trade receivables

Trade receivables represent the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before the payment of the consideration is due).

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all financial assets that are measured at amortised cost or debt instruments measured at fair value through other comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the EIR.

For trade and other receivables and accrued revenue, the Group applies a simplified approach.

For trade receivables and accrued revenue, the Group recognises loss allowances based on lifetime ECLs at each reporting date.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The provision rates are grouped together based on days due for various customer segments that have similar loss patterns (geography, customer type and rating and coverage by letters of credit and other forms of credit insurance).

The Group had an expected credit loss provision of US$ 4.2 million as at 31 December 2024 (31 December 2023: US$ 2.2 million), refer to Note 9 for further details.

The Group considers a financial asset to move into stage 3 and be in default when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3 Material accounting policies continued

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

The Group's financial liabilities include trade and other payables, derivatives, lease liabilities and bank borrowings. All financial liabilities are classified at amortised cost unless they can be designated as at Fair Value Through Profit or Loss ("FVTPL").

Derivatives that are not designated and effective as hedging instruments are classified as financial liabilities and are held at FVTPL. Derivatives held at FVTPL are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period with the resulting gain or loss recognised in profit or loss immediately.

Trade and other payables, bank borrowings, lease liabilities, amounts due to related parties and contract liabilities are classified at amortised cost and are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the EIR method, with interest expense recognised based on its effective interest rate, except for short-term payables or when the recognition of interest would be immaterial.

The EIR method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

The Group's loan facility is a floating rate financial liability. The Group treats the loan as a floating rate financial liability and performs periodic estimations to reflect movements in market interest rates and alters the effective interest rate accordingly.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the consolidated statement of profit or loss and other comprehensive income.

When an existing financial liability is replaced by another on terms which are not substantially modified, the exchange is deemed to be a continuation of the existing liability and the financial liability is not derecognised.

Derivative financial instruments

The Group uses derivative financial instruments, such as interest rate swaps, to hedge its interest rate risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

For the purpose of hedge accounting, hedges are classified as cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is 'an economic relationship' between the hedged item and the hedging instrument;
- the effect of credit risk does not 'dominate the value changes' that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below:

Financial liabilities and equity instruments continued

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income ("OCI") and accumulated in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated statement of profit or loss and other comprehensive income. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The ineffective portion relating for cash flow hedges are recognised in finance expenses in the profit or loss.

The Group designates interest rate swaps ("IRS") as hedging instruments. The Group designates the change in fair value of the entire derivative contracts in its cash flow hedge relationships.

For cash flow hedges, the amount accumulated in OCI is reclassified to profit or loss as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss. The amount remaining in the cash flow hedge reserve is reclassified to profit or loss as reclassification adjustments in the same period or periods during which the hedged expected future cash flows affected profit or loss. The Group reclassify amounts remaining in the cash flow hedge reserve on a time apportionments basis.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in OCI must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to profit or loss as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

Warrants

The Group measures the warrants issued at fair value with changes in fair value recognised in the profit or loss.

4 Key sources of estimation uncertainty and critical accounting judgements

In the application of the Group's accounting policies, which are described in Note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

In applying the Group's accounting policies during the year, there was one critical accounting judgement relating to a subsidiary of the Group that received a tax assessment from the Saudi tax authorities (ZATCA) for an amount related to the transfer pricing of our inter-group bareboat agreement. While the Directors, guided by the Group's tax advisors, believe that the Group has complied with the relevant tax legislation and a zero balance is due, an appropriate provision for this case has been recognised for a potential outcome in an attempt to reach an amicable solution. Further details of the tax assessment are disclosed in Note 8.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year are outlined below:

Impairment and reversal of previous impairment of property and equipment

The Group obtained an independent valuation of its vessels as at 31 December 2024 for the purpose of its banking covenant compliance requirements. However, consistent with prior years, management does not consider these valuations to represent a reliable estimate of the fair value for the purpose of assessing the recoverable value of the Group's vessels, noting that there have been limited, if any, "willing buyer and willing seller" transactions of similar vessels in the current offshore vessel market on which such values could reliably be based. Due to these inherent limitations, management concluded that recoverable amount should be based on value in use.

Management carried out an impairment assessment of property and equipment for year ended 31 December 2024. Following this assessment, management determined that the recoverable amounts of the cash generating units to which items of property and equipment were allocated, being vessels and related assets, were most sensitive to future day rates, vessel utilisation and discount rate. It is reasonably possible that changes to these assumptions within the next financial year could require a material adjustment of the carrying amount of the Group's vessels.

Management does not expect an assumption change of more than 10% in aggregate for the entire fleet within the next financial year, and accordingly, believes that a 10% sensitivity to day rates and utilisation is appropriate. Further, for discount rate, management does not expect an assumption change of more than 1% and accordingly, believes that a 1% sensitivity to discount rate is appropriate.

As at 31 December 2024, the total carrying amount of the property and equipment, drydocking expenditure, and right of use assets subject to estimation uncertainty was US$ 608.3 million (2023: US$ 621.0 million). Refer to Note 5 for further details including sensitivity analysis.

4 Key sources of estimation uncertainty and critical accounting judgements continued

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all financial assets that are measured at amortised cost or debt instruments measured at fair value through other comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the EIR.

Management carried out an impairment assessment of trade receivables and contract assets for the year ended 31 December 2024. Following this assessment, management considered the following criteria for impairment:

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Management concluded that the Group had an expected credit loss provision expense of US$ 2.0 million (2023: US$ 0.2 million), refer to Notes 9 for further details.

Fair valuation of Warrants

Management commissioned an independent valuation expert to measure the fair value of the warrants, which was determined using Monte Carlo option-pricing model. Inputs used in conducting the Monte-Carlo simulation are the impact of movements in both the USD/GBP exchange rate, and the price per ordinary share over the life of the warrants. The simulation considers sensitivity by building models of possible results by substituting a range of values. The increase in fair value of the warrants is primarily due to increase in share price and its volatility. A 10% change in share price will increase or decrease the valuation by US$ 1.5 million. A 10% change in share price volatility will increase or decrease the valuation by US$ 7k.

5 Property and equipment

	Vessels US$'000	Capital work-in-progress US$'000	Vessel spares, fitting and other equipment US$'000	Others US$'000	Total US$'000
Cost					
At 1 January 2023	898,200	6,766	60,234	2,250	967,450
Additions	–	4,326	–	–	4,326
Transfers	–	(523)	523	–	–
At 31 December 2023	898,200	10,569	60,757	2,250	971,776
Additions	**–**	**2,788**	**–**	**–**	**2,788**
Transfers	**–**	**(3,502)**	**3,502**	**–**	**–**
At 31 December 2024	**898,200**	**9,855**	**64,259**	**2,250**	**974,564**

	Vessels US$'000	Capital work-in-progress US$'000	Vessel spares, fitting and other equipment US$'000	Others US$'000	Total US$'000
Accumulated depreciation and impairment					
At 1 January 2023	348,515	2,845	21,219	1,916	374,495
Depreciation expense (Note 34)	20,900	–	3,252	145	24,297
Impairment charge	3,565	–	–	–	3,565
Reversal of impairment	(36,993)	–	–	–	(36,993)
At 31 December 2023	335,987	2,845	24,471	2,061	365,364
Depreciation expense (Note 34)	**22,379**	**–**	**3,673**	**142**	**26,194**
Impairment charge	**9,394**	**–**	**–**	**–**	**9,394**
Reversal of impairment	**(18,621)**	**–**	**–**	**–**	**(18,621)**
At 31 December 2024	**349,139**	**2,845**	**28,144**	**2,203**	**382,331**
Carrying amount					
At 31 December 2024	**549,061**	**7,010**	**36,115**	**47**	**592,233**
At 31 December 2023	562,213	7,724	36,286	189	606,412

Depreciation amounting to US$ 26.2 million (2023: US$ 24.3 million) has been charged to the statement of profit or loss and other comprehensive income, of which US$ 26.1 million (2023: US$ 24.2 million) was allocated to cost of sales (Note 29). The remaining balance of the depreciation charge is included in general and administrative expenses (Note 29).

Vessels with a total net book value of US$ 549.1 million (2023: US$ 562.2 million), have been mortgaged as security for the loans extended by the Group's banking syndicate (Note 21).

Impairment

In accordance with the requirements of IAS 36 – Impairment of Assets, the Group assesses at each reporting period if there is any indication an additional impairment would need to be recognised for its vessels and related assets, or if the impairment loss recognised in prior periods no longer exists or had decreased in quantum. Such indicators can be from either internal or external sources. In circumstances in which any indicators of impairment or impairment reversal are identified, the Group performs a formal impairment assessment to evaluate the carrying amounts of the Group's vessels and their related assets, by comparing against the recoverable amount to identify any impairments or reversals. The recoverable amount is the higher of the vessels and related assets' fair value less costs to sell and value in use.

Based on the impairment assessment reviews conducted in previous years, management recognised impairment losses of US$ 59.1 million and US$ 87.2 million in the years 2019 and 2020, respectively. As a result of improvements in day rates, utilisation, market outlook and reduction of discount rate, historical impairment losses of US$ 14.9 million, US$ 21.0 million and US$ 37.0 million on various vessels were subsequently reversed in financial years 2021, 2022 and 2023, respectively. During the financial years 2022 and 2023, additional impairment losses of US$ 13.2 million and US$ 3.6 million were also recognised on certain vessels, resulting in overall net impairment reversals of US$ 7.8 million and US$ 33.4 million for those years, respectively.

As at 31 December 2024, and in line with IAS 36 requirements, management concluded that a formal impairment assessment was required. Factors considered by management included favourable indicators, including an improvement in utilisation, day rates, an increase in market values of vessels and decrease in interest rate, and unfavourable indicators including the market capitalisation of the Group remaining below the book value of the Group's equity.

The Group obtained an independent valuation of its vessels as at 31 December 2024 for the purpose of its banking covenant compliance requirements. However, consistent with prior years, management does not consider these valuations to represent a reliable estimate of the fair value for the purpose of assessing the recoverable value of the Group's vessels, noting that there have been limited, if any, "willing buyer and willing seller" transactions of similar vessels in the current offshore vessel market on which such values could reliably be based. Due to these inherent limitations, management has again concluded that recoverable amount should be based on value in use.

The impairment review was performed for each cash-generating unit, by identifying the value in use of each vessel and of spares fittings, capitalised dry-docking expenditure, capital work in progress and right-of-use assets relating to operating equipment used on the fleet, based on management's projections of future utilisation, day rates and associated cash flows.

The projection of cash flows related to vessels and their related assets is complex and requires the use of a number of estimates, the primary ones being future day rates, vessel utilisation and discount rate.

In estimating the value in use, management estimated the future cash inflows and outflows to be derived from continuing use of each vessel and its related assets for the next four years based on its latest forecasts. The terminal value cash flows (i.e., those beyond the four-year period) were estimated based on historic mid-cycle day rates and utilisation levels calculated by looking back as far as 2014, when the market was at the top of the cycle through to 2022 levels as the industry starts to emerge out of the bottom of the cycle, adjusted for anomalies. The terminal value cash flow assumptions are applied until the end of the estimated useful economic life of each vessel, which is consistent with the prior year. Such long-term forecasts also take account of the outlook for each vessel having regard to their specifications relative to expected customer requirements and about broader long-term trends including climate change.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The discount rate of 11.98% (2023: 12.93%) is computed on the basis of the Group's weighted average cost of capital. The cost of equity incorporated in the computation of the discount rate is based on the industry sector average betas, risk-free rate of return as well as Group specific risk premium reflecting any additional risk factors relevant to the Group. The cost of debt is based on the Group's actual cost of debt and the effective cost of debt reported by the peer group as at 31 December 2024. The weighted average is computed based on the industry capital structure.

The impairment review led to the recognition of a net impairment reversal of US$ 9.2 million (2023: US$ 33.43 million). The key reason for the reversal is further improvement in general market conditions compared to prior year and a decrease in discount rate from 12.93% to 11.98% predominantly due to reduction in the cost of debt of the Group.

In accordance with the Companies Act 2006, section 841(4), the following has been considered:

a) the Directors have considered the value of some/all of the fixed assets of the Group without revaluing them; and

b) the Directors are satisfied that the aggregate value of those assets are not less than the aggregate amount at which they were stated in the Group's accounts.

5 Property and equipment continued

Impairment continued

Details of the impairment reversal by cash-generating unit, along with the associated recoverable amount reflecting its value in use, are provided below:

Cash Generating Unit (CGUs)	**Impairment reversal/ (Impairment) 2024 US$'000**	**Recoverable amount 2024 US$'000**	Impairment reversal/ (Impairment) 2023 US$'000	Recoverable amount 2023 US$'000
E-Class -1	**–**	**89,296**	12,414	94,441
E-Class -2	**404**	**59,257**	(3,565)	62,481
E-Class -3	**–**	**88,128**	907	79,985
E-Class -4	**14,099**	**98,435**	6,584	88,582
E-Class	**14,503**	**335,116**	16,340	325,489
S-Class -1	**–**	**61,870**	4,462	61,092
S-Class -2	**–**	**64,196**	–	67,067
S-Class -3	**–**	**65,065**	–	68,787
S-Class	**–**	**191,131**	4,462	196,946
K-Class -1	**(1,168)**	**14,750**	1,773	16,264
K-Class -2	**3,287**	**18,859**	1,102	17,033
K-Class -3	**(4,402)**	**14,018**	2,025	18,353
K-Class -4	**(1,168)**	**14,992**	4,464	16,268
K-Class -5	**(2,656)**	**18,361**	1,321	22,047
K-Class -6	**831**	**50,190**	1,941	51,075
K-Class	**(5,276)**	**131,170**	12,626	141,040
Total	**9,227**	**657,417**	33,428	663,475

The table below compares the long-term day rate and utilisation assumptions used to project future cash flows from 2029 onward (the terminal value) with the contracted rates secured for 2025:

Vessels class	Day rate change % on 2025 levels	Utilisation change % on 2025 levels
E-Class CGUs	21%	-12%
S-Class CGUs	-7%	-1%
K-Class CGUs	-9%	-24%

The below table compares the long-term day rate and utilisation assumptions used to forecast future cash flows during the year ended 31 December 2024 against the Group's long-term assumptions in the impairment assessment performed as at 31 December 2023:

Vessels class	Day rate change % on 2024 levels	Utilisation change % on 2024 levels
E-Class CGUs	-0.5%	1.7%
S-Class CGUs	0.0%	0.0%
K-Class CGUs	0.0%	-4.7%

The impairment reversal recognised on E-Class vessels reflect further increases in short-term assumptions on day rates and utilisation relative to the Group's previous forecasts. The forecast of 21% increase in day rates relative to 2025 reflects improving market conditions coupled with a limited supply of vessels with the capabilities of the E-Class such as their large crane capacities and superior leg length. As these vessels are the most capable of all the vessels in the fleet it is anticipated they will be able to demand higher day rates and utilisation going forward.

The net impairment recognised on the Group's K-Class vessels primarily reflects the changes short-term forecast day rates and utilisation. When reviewing the longer-term assumptions, the Group has assumed a lower day rate and utilisation for terminal values to reflect higher competition in the market for smaller vessels.

Key assumption sensitivities

The Group has conducted an analysis of the sensitivity of the impairment test to reasonable possible changes in the key assumptions (long-term day rates, utilisation and pre-tax discount rates) used to determine the recoverable amount for each vessel as follows:

Day rates

	Day rates higher by 10%		Day rates lower by 10%	
	Impact (in US$ million)	Number of vessels impacted	Impact (in US$ million)	Number of vessels impacted
Vessels class	(Impairment)/ impairment reversal of*		(Impairment)/ impairment reversal of*	
E-Class CGUs	28.4	2.0	(11.8)	2.0
S-Class CGUs	–	–	(5.1)	1.0
K-Class CGUs	11.7	5.0	(33.6)	6.0
Total fleet	**40.1**	**7.0**	**(50.5)**	**9.0**

* This reversal of impairment/(impairment charge) is calculated on carrying values before the adjustment for impairment reversals in 2024.

There would be incremental impairment reversal of US$ 30.9 million and impairment charge of US$ 59.7 million for the 10% increase and decrease in day rates assumption respectively. The additional effect of impairment charge on corporate assets would be US$ 2.6 million, only under the reduced day rates sensitivity.

The total recoverable amounts of the Group's vessels as at 31 December 2024 would have been US$ 768.8 million under the increased day rates sensitivity and US$ 546.0 million for the reduced day rate sensitivity. With a 7% reduction in day rates, the recoverable amount would equal the carrying value of the vessels.

Utilisation

	Utilisation higher by 10%		Utilisation lower by 10%	
	Impact (in US$ million)	Number of vessels impacted	Impact (in US$ million)	Number of vessels impacted
Vessels class	(Impairment)/ impairment reversal of*		(Impairment)/ impairment reversal of*	
E-Class CGUs	24.9	2.0	(11.8)	2.0
S-Class CGUs	–	–	(5.1)	1.0
K-Class CGUs	8.5	5.0	(33.6)	6.0
Total fleet	**33.4**	**7.0**	**(50.5)**	**9.0**

* This reversal of impairment/(impairment charge) is calculated on carrying values before the adjustment for impairment reversals in 2024.

There would be incremental impairment reversal of US$ 24.3 million and impairment charge of US$ 59.7 million for the 10% increase and decrease in utilisation assumption respectively. The additional effect of impairment charge on corporate assets would be US$ 2.6 million, only under the reduced utilisation sensitivity.

The total recoverable amounts of the Group's vessels as at 31 December 2024 would have been US$ 736.3 million under the increased utilisation sensitivity and US$ 546.0 million for the reduced utilisation sensitivity. With a 7% reduction in utilisation, the recoverable amount would equal the carrying value of the vessels.

Management would not expect an assumption change of more than 10% across all vessels within the next financial year, and accordingly, believes that a 10% sensitivity to day rates and utilisation is appropriate.

Discount rate

An additional sensitivity analysis was conducted by adjusting the pre-tax discount rate upwards and downwards by 100 basis points (1%). Given that the change in the discount rate from the previous year is less than 100 basis points, such sensitivity was deemed appropriate for this analysis.

	Discount rate higher by 1%		Discount rate lower by 1%	
	Impact (in US$ million)	Number of vessels impacted	Impact (in US$ million)	Number of vessels impacted
Vessels class	(Impairment)/ impairment reversal of*		(Impairment)/ impairment reversal of*	
E-Class CGUs	3.9	2.0	20.1	2.0
S-Class CGUs	–	–	–	–
K-Class CGUs	(11.4)	6.0	(2.0)	5.0
Total fleet	**(7.5)**	**8.0**	**18.1**	**7.0**

* This (impairment charge)/impairment reversal is calculated on carrying values before the adjustment for impairment reversals in 2024.

There would be incremental impairment charge of US$ 16.8 million and impairment reversal of US$ 8.9 million for the 10% increase and decrease in pre-tax discount rate assumption respectively.

The total recoverable amounts of the vessels as at 31 December 2024 would have been US$ 701.8 million under the reduced discount rate sensitivity and US$ 617.9 million for the increased discount rate sensitivity.

6 Dry docking expenditure

The movement in dry docking expenditure is summarised as follows:

	2024 US$'000	2023 US$'000
At 1 January	**11,204**	8,931
Expenditure incurred during the year	**5,987**	6,960
Amortised during the year (Note 34)	**(5,324)**	(4,687)
At 31 December	**11,867**	11,204

7 Right-of-use assets

	Buildings US$'000	Communications equipment US$'000	Operating equipment US$'000	Total US$'000
Cost				
At 1 January 2023	2,448	251	10,496	13,195
Additions	519	894	1,818	3,231
Derecognition of fully depreciated assets	–	–	(567)	(567)
At 31 December 2023	2,967	1,145	11,747	15,859
Additions	**240**	**1,233**	**4,046**	**5,519**
Derecognition of fully depreciated assets	**(2,020)**	**–**	**(10,885)**	**(12,905)**
At 31 December 2024	**1,187**	**2,378**	**4,908**	**8,473**
Accumulated depreciation				
At 1 January 2023	1,867	251	7,706	9,824
Depreciation for the year	574	106	2,508	3,188
Derecognition of fully depreciated assets	–	–	(500)	(500)
At 31 December 2023	2,441	357	9,714	12,512
Depreciation for the year	**475**	**721**	**3,445**	**4,641**
Derecognition of fully depreciated assets	**(2,020)**	**–**	**(10,885)**	**(12,905)**
At 31 December 2024	**896**	**1,078**	**2,274**	**4,248**
Carrying amount				
At 31 December 2024	**291**	**1,300**	**2,634**	**4,225**
At 31 December 2023	526	788	2,033	3,347

The consolidated statement of profit or loss and other comprehensive income includes the following amounts relating to leases.

	2024 US$'000	2023 US$'000
Depreciation of right of use assets (Note 34)	**4,641**	3,188
Expense relating to short term leases or leases of low value assets (Note 34)	**260**	228
Lease charges included in operating activities	**4,901**	3,416
Interest on lease liabilities (Note 33)	**461**	245
Lease charges included in profit before tax	**5,362**	3,661

The total cash outflow for leases amounted to US$ 5.2 million for the year ended 31 December 2024 (2023: US$ 3.8 million).

8 Taxation charge for the year

Tax is calculated at the rates prevailing in the respective jurisdictions in which the Group operates. The overall effective rate is the aggregate of taxes paid in jurisdictions where income is subject to tax (being principally Qatar, the United Kingdom, Saudi Arabia and United Arab Emirates), divided by the Group's profit.

	2024 US$'000	2023 US$'000
Profit from operations before tax	**43,181**	44,930
Tax at the UK corporation tax rate of 25% (2023: 23.5%)	**10,795**	10,568
Effect of different tax rates in overseas jurisdictions	**(849)**	(13,461)
Expense not deductible for tax purposes	**7,323**	2,413
Overseas taxes	**1,698**	1,714
Increase in unrecognised deferred tax	**1,764**	1,113
Prior year tax adjustments	**2,236**	630
Income not taxable for tax purposes	**(18,046)**	(115)
Total tax charge	**4,921**	2,862

During the year, the tax rates on profits were 10% in Qatar (2023: 10%), 25% in the United Kingdom (2023: 23.52%), 20% in Saudi Arabia (2023: 20%) and 9% in United Arab Emirates (2023: nil) applicable to the portion of profits generated from respective jurisdictions. The Group also incurred 2.5% Zakat tax (an obligatory tax to donate 2.5% of retained earnings each year) on the portion of profits generated in Saudi Arabia (2023: 2.5%).

The Group incurs 5% withholding tax on remittances from Saudi Arabia (2023: 5%). The withholding tax included in the current tax charge amounted to US$ 1.9 million (2023: US$ 1.6 million).

The Group expects the overall effective tax rate in the future to vary according to local tax law changes in jurisdictions which incur taxes, as well as any changes to the share of Group's profits or losses which arise in tax paying jurisdictions.

At the consolidated statement of financial position date, the Group has unused tax losses of US$ 38.2 million (2023: US$ 30.2 million), arising from UK operations, available for offset against future profits with an indefinite expiry period. Only one E-class vessel operates in UK with one more expected to operate from 2026. Based on the projections, there are insufficient future taxable profits to justify the recognition of a deferred tax asset. On this basis no deferred tax asset has been recognised in the current or prior year. The unrecognised deferred tax asset calculated at the substantively enacted rate in the UK of 25% amounts to US$ 9.5 million as at 31 December 2024 (2023: US$ 7.6 million).

Any changes to estimates relating to prior periods are presented in the "prior year tax adjustments" above.

Factors affecting current and future tax charges

United Kingdom (UK)

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates as disclosed in these consolidated financial statements.

The future effective tax rate of the Group could be impacted by changes in tax law, primarily increasing corporation tax rates and increasing withholding taxes applicable to the Group.

United Arab Emirates (UAE)

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax regime in the UAE. This Law has become effective for accounting periods beginning on or after 1 June 2023.

The Group's UAE operations are subject to a 9% corporation tax rate with effect from 01 January 2024 for income exceeding AED 375,000 (US$ 102,000).

GMS has considered deferred tax implications in the preparation of these consolidated financial statements in respect of property and equipment and potential timing differences that could give rise to a deferred tax liability. There are currently no UAE tax laws that would impact treatment of depreciation and amortisation of property, plant and equipment, that would result in such a timing difference. Hence, management has concluded that no adjustments to these consolidated financial statements are necessary.

8 Taxation charge for the year continued

Factors affecting current and future tax charges continued

Kingdom of Saudi Arabia

A subsidiary of the Group received a tax assessment from the Saudi tax authorities (ZATCA) for an amount of US$ 9.2 million (including delay fines) related to the transfer pricing of inter-group bareboat agreement, for the period from 2017 to 2019. The Group has currently filed an appeal with the Tax Violations and Disputes Appellate Committee (TVDAC) against the assessment raised by ZATCA. The Directors have considered the claim, including consideration of third-party tax advice received. Noticing the claim retrospectively applied on the financial year 2017, in respect of a law which was issued in 2019, which applied a "tested party" assessment different to that supported by the Group tax advisors and using an approach which the Directors (supported by their tax advisors) consider to be inconsistent with the principles set out in the KSA transfer price guidelines, the Directors believe that the Group has complied with the relevant tax legislation. Nevertheless, during 2023, to reach an amicable solution, the Group had also filed a settlement application with the Alternate Dispute Resolution Committee (ADRC), which subsequently requested a settlement offer. The Directors have submitted a settlement proposal and are currently awaiting a response from the ADRC.

Appropriate provisions for this case have been recorded in the financial statements reflecting the Directors current best estimate of the outflows in line with IFRIC 23. The Directors will continue to keep this matter under review.

9 Trade receivables

	2024 US$'000	2023 US$'000
Trade receivables (gross of allowances)	**29,807**	32,872
Less: Allowance for expected credit losses	**(4,232)**	(2,226)
Trade receivables	**25,575**	30,646

Gross trade receivables, amounting to US$ 29.8 million (2023: US$ 32.9 million), have been assigned as security against the loans extended by the Group's banking syndicate (Note 21).

Trade receivables disclosed above are measured at amortised cost. Credit periods are granted on a client by client basis. The Group does not hold any collateral or other credit enhancements over any of its trade receivables nor does it have a legal right of offset against any amounts owed by the Group to the counterparty. For details of the calculation of expected credit losses, refer to Note 3.

Impairment has been considered for accrued revenue but is not considered material.

The movement in the allowance for ECL and bad and doubtful receivables during the year was as follows:

	2024 US$'000	2023 US$'000
At 1 January	**2,226**	2,019
Net charge of expected credit losses (Note 34)	**2,006**	207
At 31 December	**4,232**	2,226

Trade receivables are considered past due once they have passed their contracted due date. The net charge of expected credit loss provision during the year was US$ 2.0 million (2023: US$ 0.2 million).

Management carried out an impairment assessment of trade receivables for the year ended 31 December 2024 and concluded that the Group had an expected credit loss provision of US$ 4.2 million as at 31 December 2024 (31 December 2023: US$ 2.2 million).

During January 2023, a customer entered administration. The Group had traded with this customer in the past and accordingly, had recorded an allowance for 50% of the balance receivable in the previous year. During the year, the Group recognised allowance for the remaining 50% of the balance.

Included in the Group's trade receivables balance are receivables with a gross amount of US$ 4.4 million (2023: US$ 4.1 million) which are past due for 30 days or more at the reporting date. At 31 December, the analysis of Trade receivables is as follows:

		Number of days past due					
	Current US$'000	< 30 days US$'000	31-60 days US$'000	61-90 days US$'000	91-120 days US$'000	> 120 days US$'000	Total US$'000
Trade receivables	**23,933**	**1,513**	**–**	**–**	**–**	**4,361**	**29,807**
Less: Allowance for expected credit losses	**(97)**	**(5)**	**–**	**–**	**–**	**(4,130)**	**(4,232)**
Net trade receivables 2024	**23,836**	**1,508**	**–**	**–**	**–**	**231**	**25,575**
Trade receivables	28,714	26	–	–	–	4,132	32,872
Less: Allowance for expected credit losses	(110)	–	–	–	–	(2,116)	(2,226)
Net trade receivables 2023	28,604	26	–	–	–	2,016	30,646

Six customers (2023: seven) account for 99% (2023: 99%) of the total trade receivables balance (see revenue by segment information in Note 28). When assessing credit risk, ongoing assessments of customer credit and liquidity positions are performed.

10 Prepayments, advances and other receivables

	2024 US$'000	2023 US$'000
Accrued revenue	**4,237**	2,656
Prepayments	**2,073**	3,557
Deposits*	**95**	86
Advances to suppliers	**2,824**	1,758
At 31 December	**9,229**	8,057

* Deposits include bank guarantee deposits of US$ 39k (2023: US$ 39k). Guarantee deposits are paid by the Group for employee work visas under UAE Labour Laws.

11 Derivative financial instruments

Warrants

Under the terms of the Group's old loan facility, the Group was required to issue warrants to its previous lenders as GMS had not raised US$ 50.0 million of equity by 31 December 2022.

On 2 January 2023, as the US$ 50.0 million equity raise did not take place, therefore 87,621,947 warrants were issued to the previous lenders. Based on the final report prepared by a Calculation Agent, the warrants give right to their holders to acquire 137,075,773 shares at an exercise price of 5.75 pence per share for a total consideration of £7.9 million. Warrant holders will have the right to exercise their warrants up to the end of the term of the loan facility, being 30 June 2025.

During the year, 34,218,700 warrants were exercised by the holders resulting in issuance of 53,531,734 new ordinary shares with a nominal value of 2 pence per share and share premium of 3.75 pence per share. The fair value of the warrants that were exercised was recalculated at the time of exercise. The fair value of 34,218,700 warrant exercised was calculated at US$ 10.4 million. This fair value is added to the actual cash raised of US$ 3.9 million, in line with Companies Act 2006 to give a total increase in share capital and share premium of US$ 14.3 million. Issue costs of US$ 83k have been reduced from the share premium account. Shares issued as a result of the exercise of warrants were ordinary shares with identical rights and privileges as the existing shares of the Group.

Management commissioned an independent valuation expert to measure the fair value of the outstanding warrants as of 31 December 2024, which was determined using Monte Carlo option-pricing model that takes into consideration the impact of movements in both the USD/GBP exchange rate, and the price per ordinary share, over the life of the warrants. The simulation considers sensitivity by building models of possible results by substituting a range of values. Warrants valuation represents a Level 3 fair value measurement under the IFRS 13 hierarchy. The fair value of the 53,403,247 outstanding warrants as at 31 December 2024 was US$ 9.2 million (31 December 2023: US$ 14.3 million for 87,621,947 warrants). On a per warrant basis, 31 December 2024 valuation stands at US$ 0.172 per warrant representing a 5.3% increase from the 31 December 2023 valuation of US$ 0.163 per warrant, which is primarily attributable to increase in the share price of the Company. The share price increased from 14.5 pence as at 31 December 2023 to 15.1 pence as at 31 December 2024. A 10% change in share price will increase or decrease the valuation by US$ 1.5 million. A 10% change in share price volatility will increase or decrease the valuation by US$ 7k.

Interest Rate Swap

The Group had an Interest Rate Swap (IRS) arrangement, originally in place, with a notional amount of US$ 50.0 million. The remaining notional amount hedged under the IRS as at 31 December 2024 was nil (31 December 2023: nil). The IRS hedged the risk of variability in interest payments by converting a floating rate liability to a fixed rate liability. The IRS arrangement matured during the year 2023, therefore, the fair value of the IRS as at 31 December 2024 was nil (31 December 2023: nil). In 2020 cash flows of the hedging relationship for the IRS were not highly probable and, therefore, hedge accounting was discontinued from that point.

IFRS 13 fair value hierarchy

Apart from warrants, the Group has no other financial instruments that are classified as Level 3 in the fair value hierarchy in the current year that are determined by reference to significant unobservable inputs. There have been no transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

Derivative financial instruments are made up as follows:

	Interest rate swap US$'000	Warrants US$'000	Total US$'000
At 1 January 2024	–	(14,275)	(14,275)
Derecognition of warrants exercised	–	10,431	10,431
Impact of change in fair value of warrants	–	(5,348)	(5,348)
As at 31 December 2024	**–**	**(9,192)**	**(9,192)**

11 Derivative financial instruments continued

IFRS 13 fair value hierarchy continued

	Interest rate swap US$'000	Warrants US$'000	Total US$'000
At 1 January 2023	386	(3,198)	(2,812)
Net loss on changes in fair value of interest rate swap	(59)	–	(59)
Final settlement of derivatives	(327)	–	(327)
Impact of change in fair value of warrants	–	(11,077)	(11,077)
As at 31 December 2023	–	(14,275)	(14,275)

12 Cash and cash equivalents

	2024 US$'000	2023 US$'000
Interest bearing		
Held in UAE banks	**1,901**	1,422
Non-interest bearing		
Held in UAE banks	**36,486**	964
Held in banks outside UAE	**1,620**	6,280
Total cash and cash equivalents	**40,007**	8,666

13 Share capital and other reserves

Ordinary shares at £0.02 per share

	Number of ordinary shares (Thousands)	Ordinary shares US$'000
At 1 January 2024	1,016,415	30,117
Issue of share capital (Note 11)	53,531	1,355
As at 31 December 2024	**1,069,946**	**31,472**

	Number of ordinary shares (Thousands)	Ordinary shares US$'000
At 1 January 2023	1,016,415	30,117
As at 31 December 2023	1,016,415	30,117

Capital redemption reserve

	Number of ordinary shares (Thousands)	Capital redemption reserve US$'000
At 1 January 2024	350,488	46,445
As at 31 December 2024	**350,488**	**46,445**

Share premium

	Number of ordinary shares (Thousands)	Share premium account US$'000
At 1 January 2024	1,016,415	99,105
Issue of share capital (Note 11)	53,531	12,973
Share issue cost	–	(83)
As at 31 December 2024	**1,069,946**	**111,995**

Prior to an equity raise on 28 June 2021 the Group underwent a capital reorganisation where all existing ordinary shares with a nominal value of 10 pence per share were subdivided and re-designated into 1 ordinary share with a nominal value of 2 pence and 1 deferred share with a nominal value of 8 pence each. The previously recognised share capital balance relating to the old 10 pence ordinary shares was allocated pro rata to the new subdivided 2 pence ordinary shares and 8 pence deferred shares. The deferred shares had no voting rights and no right to the profits generated by the Group. On winding-up or other return of capital, the holders of deferred shares had extremely limited rights, if any. The Group had the right but not the obligation to buyback all of the deferred shares for an amount not exceeding £1.00 in aggregate, which with the shareholders approval, was completed on 30 June 2022. Accordingly, 350,487,787 deferred shares were cancelled. Following the cancellation of the Deferred shares on 30 June 2022, a transfer of US$ 46.4 million was made from Share capital – Deferred to a Capital redemption reserve. There was no dilution to the shares ownership as a result of the share reorganisation.

Under the Companies Act, a share buy-back by a public company can only be financed through distributable reserves or the proceeds of a fresh issue of shares made for the purpose of financing a share buyback. The Company had sufficient reserves to purchase the Deferred shares for £1.00.

The Group has issued ordinary share capital on the exercise of previously issued warrants to its lenders which has resulted in issuance of ordinary shares of 53,531,734 on 31 May 2024 (refer Note 11).

14 Restricted reserve

The restricted reserve of US$ 0.3 million (2023: US$ 0.3 million) represents the statutory reserves of certain subsidiaries. As required by the Commercial Companies Law in the countries where those entities are established, 10% of profit for the year is transferred to the statutory reserve until the reserve equals 50% of the share capital. Following a recent change to the Regulations of Companies in Kingdom of Saudi Arabia, apportions can cease when the reserve equals 30% instead of 50% of the share capital, although the subsidiary continues to maintain this at 50%. This reserve is not available for distribution. No amounts were transferred to this reserve during the year ended 31 December 2024 (2023: US$ nil).

15 Group restructuring reserve

The Group restructuring reserve arose on consolidation under the pooling of interests (merger accounting) method used for the Group restructuring. Under this method, the Group was treated as a continuation of GMS Global Commercial Investments LLC (the predecessor parent Company) and its subsidiaries. At the date the Company became the new parent company of the Group via a share-for-share exchange, the difference between the share capital of GMS Global Commercial Investments LLC and the Company, amounting to US$ 49.7 million (2023: US$ 49.7 million), was recorded in the books of Gulf Marine Services PLC as a Group restructuring reserve. This reserve is non-distributable.

16 Capital contribution

The capital contribution reserve is as follows:

	2024 US$'000	2023 US$'000
At 31 December	**9,177**	9,177

During 2013, US$ 7.8 million was transferred from share appreciation rights payable to capital contribution as, effective 1 January 2013, the shareholders have assumed the obligation to settle the share appreciation rights. An additional charge in respect of this scheme of US$ 1.4 million was made in 2014. The total balance of US$ 9.2 million is not available for distribution.

17 Translation reserve and retained earnings

Foreign currency translation reserve represents differences on foreign currency net investments arising from the re-translation of the net investments in overseas subsidiaries.

Retained earnings include the accumulated realised and certain unrealised gains and losses made by the Group.

18 Non-controlling interest

The movement in non-controlling interest is summarised as follows:

	2024 US$'000	2023 US$'000
At 1 January	**2,714**	1,988
Share of profit for the year	**284**	726
At 31 December	**2,998**	2,714

The following table summarises the information relating to the subsidiary that has material non-controlling interest, before any intra-group eliminations.

	2024 US$'000	2023 US$'000
Statement of financial position information:		
Non-current assets	**340**	129
Current assets	**18,750**	16,408
Non-current liabilities	**(24)**	(18)
Current liabilities	**(10,346)**	(6,952)
Net assets	**8,720**	9,567
Net assets attributable to non-controlling interests	**2,998**	2,714
Statement of profit or loss and other comprehensive income information:		
Revenue	**41,900**	38,088
(Loss)/profit after tax and zakat	**(842)**	1,306
Total (loss)/comprehensive income	**(842)**	1,306
Profit allocated to non-controlling interests	**284**	726
Statement of cashflow information:		
Cash flows from operating activities	**(4,203)**	(1,162)
Cash flows from financing activities (dividends: nil)	**(842)**	(795)
Net decrease in cash and cash equivalents	**(5,045)**	(1,957)

19 Provision for employees' end of service benefits

In accordance with Labour Laws of some of the countries where the Group operates, it is required to provide for end of service benefits for certain employees. The movement in the provision for employees' end of service benefits during the year was as follows:

	2024 US$'000	2023 US$'000
At 1 January	**2,395**	2,140
Provided during the year	**525**	723
Paid during the year	**(280)**	(468)
At 31 December	**2,640**	2,395

20 Trade and other payables

	2024 US$'000	2023 US$'000
Trade payables	**18,767**	13,213
Due to related parties (Note 23)	**531**	962
Accrued expenses	**14,916**	16,090
Deferred revenue	**2,856**	3,546
VAT payable	**295**	392
Other payables	**430**	851
	37,795	35,054

No interest is payable on the outstanding balances. Trade and other payables are all current liabilities.

21 Bank borrowings

Secured borrowings at amortised cost are as follows:

	2024 US$'000	2023 US$'000
Term loans	**241,189**	273,939
Less: Unamortised issue costs	**(5,167)**	–
	236,022	273,939
Working capital facility (utilised)	**–**	2,000
	236,022	275,939

At the end of the reporting period, all bank borrowings are unhedged.

The movement of the bank borrowings during the year are as follows:

	2024 US$'000	2023 US$'000
At 1 January	**275,939**	328,085
Repayment of bank borrowings	**(275,939)**	(56,174)
Additional bank borrowings	**241,189**	2,000
Unamortised issue costs incurred	**(5,173)**	–
Amortisation of issue costs	**6**	–
Payment in kind interest	**–**	2,028
At 31 December	**236,022**	275,939

On 30 December 2024, the Group completed refinancing of its bank borrowings. The purpose of the refinancing is primarily to settle in full all the amounts outstanding under the previous debt facility (which was scheduled to mature on 30 June 2025) as well as to fund the fees and expenses in relation to this transaction. Management determined that this refinancing transaction is a new loan (rather than modification of the existing loan), thus, the new debt obligation is recognised and the previous debt facility was extinguished.

Bank borrowings are presented in the consolidated statement of financial position as follows:

	2024 US$'000	2023 US$'000
Non-current portion		
Bank borrowings	**196,425**	234,439
Current portion		
Bank borrowings – scheduled repayments within one year	**39,597**	39,500
Working capital facility	**–**	2,000
	236,022	275,939

The principal terms of the new debt facility are as follows:

- The facility is denominated in UAE Dirhams (AED) and will consist of a term loan of AED 924.0 million (US$ 250.0 million) and revolving credit facility of AED 177.5 million (US$ 50.0 million).
- The term loan will have a tenor of five years, where 80% of the term loan is payable in 19 equal quarterly instalments and the remaining 20% is payable on maturity.
- The term loan carries floating rate linked to Emirates Interbank Offered Rate (EIBOR) plus a margin based on a ratchet depending on the Group's leverage level.
- The facility is secured by mortgage of 13 vessels owned by the Group with a net book value of US$ 549.1 million (Note 5), including the assignment of trade receivables amounting to US$ 29.8 million (Note 9), bank balance amounting to US$ 40.0 million (Note 12) and insurance proceeds.
- The facility is subject to certain financial covenants such as Interest Cover, Debt Service Cover, Gearing Ratio and Senior Net Leverage which are to be tested every six months. The financial covenant related to Security Cover is tested annually. All applicable financial covenants under the Group's debt facility were met as of 31 December 2024 and are expected to be compliant in the next 12 months.

Subsequent to the reporting period, the Group has made prepayments of US$ 40.3 million towards its term loan.

21 Bank borrowings continued

The principal terms of the previous facility, as well as the related securities as at 31 December 2023 were as follows:

- The facility's main currency was US$ repayable with a Secured Overnight Financing Rate (SOFR) plus a margin based on a ratchet depending on leverage levels. The facility was expiring by June 2025.
- The revolving working capital facility amounts to US$ 40.0 million. US$ 25.0 million of the working capital facility was allocated to performance bonds and guarantees and US$ 15.0 million allocated to funded portion, of which US$ 2.0 million was utilised as of 31 December 2023.
- During the first quarter of 2023, the Group had accrued PIK amounting to US$ 2 million. However, on the succeeding quarter, the Group had achieved a reduction in the net leverage ratio to below 4.0, and PIK was no longer accrued. Further, as a result, the margin rate on the loan had decreased from 4% to 3.1%.
- The facility was secured by mortgages over its whole fleet with a net book value at 31 December 2023 of US$ 562.2 million. Additionally, gross trade receivables amounting to US$ 32.9 million have been assigned as security against the loans extended by the Group's banking syndicate (Note 9).
- The Group also provided security against gross cash balances, being cash balances amounting to US$ 8.7 million at 31 December 2023 (Note 12) before the restricted amounts related to visa deposits held with the Ministry of Labour in the UAE which are included in deposits. These had been assigned as security against the loans extended by the Group's banking syndicate.
- As an equity raise of US $50.0 million did not take place by 31 December 2022, 87.6 million warrants were issued on 2 January 2023, giving debt holders the right to 137,075,773 million shares at a strike price of 5.75 pence per share. The warrants will expire in June 2025, which was the original maturity of the facility.
- The facility was subject to certain financial covenants including: Debt Service Cover, Interest Cover, and Net Leverage Ratio, which were tested bi-annually in June and December. There were additional covenants relating to general and administrative costs, capital expenditure and Security Cover (loan to value) which were tested annually in December. Further, there were restrictions to payment of dividends until the net leverage ratio falls below 4.0 times, a level reached in second quarter of 2023. All applicable financial covenants under the Group's debt facility were compliant till the repayment of the facility.

	Outstanding amount				
	Current US$'000	Non-current US$'000	Total US$'000	Security	Maturity
31 December 2024:					
Term loan – scheduled repayments within one year	**40,632**	**–**	**40,632**	**Secured**	**December 2029**
Term loan – scheduled repayments within more than one year	**–**	**200,557**	**200,557**	**Secured**	**December 2029**
Unamortised issue costs	**(1,035)**	**(4,132)**	**(5,167)**	**Secured**	**December 2029**
	39,597	**196,425**	**236,022**		
31 December 2023:					
Term loan – scheduled repayments within one year	39,500	–	39,500	Secured	June 2025
Term loan – scheduled repayments within more than one year	–	234,439	234,439	Secured	June 2025
Working capital facility – scheduled repayment within one year	2,000	–	2,000	Secured	June 2025
	41,500	234,439	275,939		

22 Lease liabilities

	2024 US$'000	2023 US$'000
As at 1 January	**3,356**	3,522
Recognition of new lease liability additions	**5,512**	3,231
Interest on lease liabilities (Note 33)	**461**	245
Principal element of lease payments	**(4,478)**	(3,330)
Derecognition of lease liability	**(29)**	(67)
Interest paid	**(461)**	(245)
As at 31 December	**4,361**	3,356
Maturity analysis:		
Year 1	**3,503**	1,623
Year 2	**858**	1,297
Year 3 – 5	**–**	436
	4,361	3,356
Split between:		
Current	**3,503**	1,623
Non-current	**858**	1,733
	4,361	3,356

23 Related party transactions

Related parties comprise the Group's major shareholders, Directors and entities related to them, companies under common ownership and/or common management and control, their partners and key management personnel. Pricing policies and terms of related party transactions are approved by the Group's Board.

Balances and transactions between the Group and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Key management personnel:

As at 31 December 2024, there were 2.6 million shares held by Directors (31 December 2023: 2.6 million).

Related parties

The Group's principal subsidiaries are outlined in Note 3. The related parties comprising of the Group's major shareholders are outlined in the Directors Report in the annual report. The other related parties during the year were:

Partner in relation to UAE Operations	Relationship
National Catering Company Limited WLL	Affiliate of a significant shareholder of the Company
Sigma Enterprise Company LLC	Affiliate of a significant shareholder of the Company
Aman Integrated Solutions LLC	Affiliate of a significant shareholder of the Company

The amounts outstanding to National Catering Company Limited WLL as at 31 December 2024 was nil (2023: US$ 0.5 million) included in trade and other payables (Note 20).

The amount outstanding to Sigma Enterprise Company LLC as at 31 December 2024 was US$ 0.5 million (2023: US$ 0.5 million) included in trade and other payables (Note 20).

The amounts outstanding to Aman Integrated Solutions LLC as at 31 December 2024 was US$ 18k (2023: US$ 3k) included in trade and other payables (Note 20).

During 2024, there were no transactions with Seafox international or any of its subsidiaries (2023: nil).

Significant transactions with the related party during the year:

	2024 US$'000	2023 US$'000
National Catering Company Limited WLL – Catering services	**86**	581
Sigma Enterprise Company LLC – Vessel maintenance and overhaul services	**440**	2,372
Aman Integrated Solutions LLC – Laboratory services	**15**	18

Compensation of key management personnel

The remuneration of Directors and other members of key management personnel during the year were as follows:

	2024 US$'000	2023 US$'000
Short-term benefits	**1,192**	983
End of service benefits	**26**	24
	1,218	1,007

Compensation of key management personnel represents the charge to the profit or loss in respect of the remuneration of the executive and non-executive Directors. At 31 December 2024, there were four executive and non-executive Directors (2023: four). Further details of remuneration of the Board and key management personnel relating to 2024 are contained in the Directors' Remuneration Report in the annual report.

24 Contingent liabilities

At 31 December 2024, the banks acting for Gulf Marine Middle East FZE, one of the subsidiaries of the Group, had issued performance bonds amounting to US$ 31.1 million (31 December 2023: US$ 19.6 million), all of which were counter-indemnified by other subsidiaries of the Group.

25 Commitments

	2024 US$'000	2023 US$'000
Capital commitments	**6,678**	7,825

Capital commitments comprise mainly capital expenditure, which has been contractually agreed with suppliers for future periods for equipment or the upgrade of existing vessels.

26 Financial instruments

Categories of financial instruments

	2024 US$'000	2023 US$'000
Financial assets:		
Current assets at amortised cost:		
Cash and cash equivalents (Note 12)	**40,007**	8,666
Trade receivables and other receivables (Notes 9 and 10)*	**29,907**	33,388
Total financial assets	**69,914**	42,054

* Trade and other receivables exclude prepayments and advances to suppliers.

	2024 US$'000	2023 US$'000
Financial liabilities:		
Derivatives recorded at FVTPL:		
Warrants (Note 11)	**9,192**	14,275
Financial liabilities recorded at amortised cost:		
Trade and other payables (Note 20)*	**34,644**	31,116
Lease liabilities (Note 22)	**4,361**	3,356
Current bank borrowings – scheduled repayments within one year (Note 21)	**39,597**	41,500
Non-current bank borrowings – scheduled repayments more than one year (Note 21)	**196,425**	234,439
Total financial liabilities	**284,219**	324,686

* Trade and other payables excludes amounts of deferred revenue and VAT payable.

The following table combines information about the following;

- Fair values of financial instruments (except financial instruments when carrying amount approximates their fair value); and
- Fair value hierarchy levels of financial liabilities for which fair value was disclosed.

	2024 US$'000	2023 US$'000
Financial liabilities:		
Recognised at level 3 of the fair value hierarchy:		
Warrants (Note 11)	**9,192**	14,275

The fair value of financial instruments classified as Level 3 are, in certain circumstances, measured using valuation techniques that incorporate assumptions that are not evidenced by the prices from observable current market transactions in the same instrument and are not based on observable market data.

The fair value of the Group's warrants at 31 December 2024 has been arrived at on the basis of a valuation carried out at that date by a third-party expert, an independent valuer not connected with the Group. The valuation conforms to International Valuation Standards. The fair value was determined using a Monte-Carlo simulation.

Favourable and unfavourable changes in the value of financial instruments are determined on the basis of changes in the value of the instruments as a result of varying the levels of the unobservable parameters, quantification of which is judgmental. There have been no transfers between Level 2 and Level 3 during the years ended 31 December 2024 and 31 December 2023.

Capital risk management

The Group manages its capital to support its ability to continue as a going concern while maximising the return on equity. The Group does not have a formalised optimal target capital structure or target ratios in connection with its capital risk management objectives. The capital structure of the Group consists of net bank debt and total equity. The Group continues to take measures to deleverage the Company and intends to continue to do so in the coming years.

Material accounting policies

Details of the material accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the consolidated financial statements.

Financial risk management objectives

The Group is exposed to the following risks related to financial instruments – credit risk, liquidity risk, interest rate risk and foreign currency risk. Management actively monitors and manages these financial risks relating to the Group.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and arises principally from the Group's trade and other receivables and cash and cash equivalents.

The Group has adopted a policy of dealing when possible, with creditworthy counterparties while keen to maximise utilisation for its vessels.

Cash balances held with banks are assessed to have low credit risk of default since these banks are highly regulated by the central banks of the respective countries. At the year-end, cash at bank and in hand totalled US$ 40.0 million (2023: US$ 8.7 million), deposited with banks with Fitch short-term ratings of F2 to F1+ (Refer to Note 12).

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration of credit risk indicates the relative sensitivity of the Group's performance to developments affecting a particular industry or geographic location. During the year, vessels were chartered to five companies in the Arabian Peninsula region and one company in Europe, including NOCs and engineering, procurement and construction ("EPC") contractors.

At 31 December 2024, six companies in specific regions accounted for 99% (2023: nine companies in specific regions accounted for 99%) of the outstanding trade receivables.

The credit risk on liquid funds is limited because the funds are held by banks with high credit ratings assigned by international agencies.

The amount that best represents maximum credit risk exposure on financial assets at the end of the reporting period, in the event counterparties failing to perform their obligations generally approximates their carrying value.

The Group considers cash and cash equivalents and trade and other receivables which are neither past due nor impaired to have a low credit risk and an internal rating of 'performing'. Performing is defined as a counterparty that has a stable financial position and which there are no past due amounts.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by seeking to maintain sufficient facilities to ensure availability of funds for forecast and actual cash flow requirements.

The table below summarises the maturity profile of the Group's financial liabilities. The contractual maturities of the Group's financial liabilities have been determined on the basis of the remaining period at the end of the reporting period to the contractual maturity date. The maturity profile is monitored by management to assist in ensuring adequate liquidity is maintained. Refer to Going Concern in Note 3.

The maturity profile of the assets and liabilities at the end of the reporting period based on contractual repayment arrangements was as follows:

			Contractual cash flows			
31 December 2024	**Interest rate**	**Carrying amount US$'000**	**Total US$'000**	**1 to 3 months US$'000**	**4 to 12 months US$'000**	**2 to 5 years US$'000**
Non-interest bearing financial liabilities						
Trade and other payables*		**34,644**	**34,644**	**34,644**	**–**	**–**
Interest bearing financial liabilities	**7.87%-8.6%**					
Bank borrowings – principal		**236,022**	**241,189**	**10,158**	**30,474**	**200,557**
Interest on bank borrowings		**–**	**41,138**	**4,016**	**10,548**	**26,574**
Lease liabilities		**4,361**	**4,631**	**991**	**2,753**	**887**
Interest on lease liabilities		**–**	**221**	**73**	**119**	**29**
		275,027	**321,823**	**49,882**	**43,894**	**228,047**

			Contractual cash flows			
31 December 2023	Interest rate	Carrying amount US$'000	Total US$'000	1 to 3 months US$'000	4 to 12 months US$'000	2 to 5 years US$'000
Non-interest bearing financial liabilities						
Trade and other payables*		31,116	31,116	31,116	–	–
Interest bearing financial liabilities	8.6%-9.2%					
Bank borrowings – principal		275,939	275,939	4,000	37,500	234,439
Interest on bank borrowings		133	32,984	5,955	17,164	9,865
Lease liabilities		3,356	3,356	618	1,155	1,583
Interest on lease liabilities		–	251	60	110	81
		310,544	343,646	41,749	55,929	245,968

* Trade and other payables excludes amounts of deferred revenue and VAT payable.

In addition to above table, capital commitments are expected to be settled in next 12 months.

26 Financial instruments continued

Interest rate risk management

The Group is exposed to cash flow interest rate risk on its bank borrowings. The Group enters into floating interest rate instruments for the same. Further, the Group had an Interest Rate Swap (IRS) arrangement, originally in place, with a notional amount of US$ 50.0 million. The remaining notional amount hedged under the IRS as at 31 December 2024 was nil (31 December 2023: nil). The IRS hedged the risk of variability in interest payments by converting a floating rate liability to a fixed rate liability. The IRS arrangement was matured during the year 2023, therefore, the fair value of the IRS as at 31 December 2024 was nil (31 December 2023: nil). In 2020 cash flows of the hedging relationship for the IRS were not highly probable and, therefore, hedge accounting was discontinued from that point.

Foreign currency risk management

The majority of the Group's transactions are denominated in US Dollars, UAE Dirhams, Euros and Pound Sterling. As the UAE Dirham, Saudi Riyal and Qatari Riyal are pegged to the US Dollar, balances in UAE Dirham, Saudi Riyal and Qatari Riyal are not considered to represent significant currency risk. Transactions in other foreign currencies entered into by the Group are short-term in nature and therefore management considers that the currency risk associated with these transactions is limited.

The carrying amounts of the Group's significant foreign currency denominated monetary assets include cash and cash equivalents and trade receivables and liabilities include trade payables. The amounts at the reporting date are as follows:

	Assets 31 December		Liabilities 31 December	
	2024 US$'000	2023 US$'000	**2024 US$'000**	2023 US$'000
US Dollars	**46,218**	21,912	**9,025**	3,421
UAE Dirhams	**9,402**	1,154	**239,278***	6,482
Saudi Riyals	**2,065**	8,531	**1,037**	1,307
Pound Sterling	**381**	12	**1,077**	2,003
Euros	**7,210**	6,141	**–**	–
Qatari Riyals	**4,371**	3,694	**455**	–
	69,647	41,444	**250,872**	13,213

* Includes bank borrowings.

At 31 December 2024, if the exchange rate of the currencies other than the UAE Dirham, Saudi Riyal and Qatari Riyal had increased/decreased by 10% against the US Dollar, with all other variables held constant, the Group's profit for the year would have been higher/lower by US$ 0.7 million (2023: higher/lower by US$ 0.4 million) mainly as a result of foreign exchange loss or gain on translation of Euro and Pound Sterling denominated balances.

27 Dividends

There was no dividend declared or paid in 2024 (2023: nil). No final dividend in respect of the year ended 31 December 2024 is expected to be proposed at the 2024 AGM. Our future dividend policy allocating 20%-30% of the annual adjusted net profit for distributions to shareholders, through a dividend and /or potential share buybacks, provided other plans permit and that loan covenants are fully met, was announced during the year.

28 Segment reporting

The Group has identified that the Directors and senior management team are the chief operating decision makers in accordance with the requirements of IFRS 8 'Operating Segments'. Segment performance is assessed based upon adjusted gross profit/(loss), which represents gross profit/(loss) before depreciation and amortisation and loss on impairment of assets. The reportable segments have been identified by Directors and senior management based on the size and type of asset in operation.

The operating and reportable segments of the Group are six K-Class vessels, three S-Class vessels and four E-Class vessels.

All of these operating segments earn revenue related to the hiring of vessels and related services including charter hire income, messing and accommodation services, personnel hire and hire of equipment. The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 3.

	Revenue		Gross profit before adjustments for depreciation, amortisation and impairment charges	
	2024 US$'000	2023 US$'000	**2024 US$'000**	2023 US$'000
E-Class vessels	**71,799**	60,955	**52,269**	41,864
S-Class vessels	**42,286**	35,018	**30,141**	23,217
K-Class vessels	**53,409**	55,630	**31,381**	33,375
	167,494	151,603	**113,791**	98,456
Depreciation charged to cost of sales			**(26,052)**	(24,153)
Amortisation charged to cost of sales			**(5,324)**	(4,687)
Expected credit losses			**(2,006)**	(207)
Adjusted gross profit			**80,409**	69,409
Impairment loss			**(9,394)**	(3,565)
Reversal of impairment			**18,621**	36,993
Gross profit			**89,636**	102,837
Finance expense			**(23,517)**	(31,431)
Impact of change in fair value of warrants			**(5,348)**	(11,077)
Other general and administrative expenses			**(17,028)**	(14,645)
Foreign exchange loss, net			**(674)**	(987)
Other income			**23**	12
Finance income			**89**	221
Profit for the year before taxation			**43,181**	44,930

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the years.

Segment assets and liabilities, including depreciation, amortisation and additions to non-current assets (other than vessels), are not reported to the key decision makers on a segmental basis and are therefore, not disclosed.

Information about major customers

During the year, five customers (2023: four) individually accounted for more than 10% of the Group's revenues. The related revenue figures for these major customers, the identity of which may vary by year, was US$ 41.9 million, US$ 39.1 million, US$ 36.4 million, US$ 26.1 million and 18.4 US$ million (2023: US$ 49.7 million, US$ 38.1 million, US$ 25.3 million and US$ 15.4 million).

Geographical segments

Revenue by geographical segment is based on the geographical location of the customer as shown below.

	2024 US$'000	2023 US$'000
United Arab Emirates	**44,684**	58,452
Saudi Arabia	**41,900**	38,088
Qatar	**62,492**	40,680
Total – Arabian Peninsula region	**149,076**	137,220
Total – Europe	**18,418**	14,383
Worldwide Total	**167,494**	151,603

28 Segment reporting continued

Type of work

The Group operates in both the oil and gas and renewables sector. Revenues are driven from both client's operating and capital expenditure. Details are shown below.

	2024 US$'000	2023 US$'000
Oil and Gas	**149,076**	137,220
Renewables	**18,418**	14,383
Total	**167,494**	151,603

Reversal of impairment of US$ 14.5 million and impairment charge of US$ 5.3 million was recognised in respect of property and equipment (Note 5) (2023: Reversal of impairment of US$ 37.0 million and impairment charge of US $ 3.6 million) attributable to the following reportable segments:

	2024 US$'000	2023 US$'000
E-Class vessels	**(14,503)**	(16,340)
S-Class vessels	**–**	(4,462)
K-Class vessels	**5,276**	(12,626)
	(9,227)	(33,428)

	E-Class vessels US$'000	S-Class vessels US$'000	K-Class vessels US$'000	Total US$'000
2024				
Depreciation charged to cost of sales	**13,881**	**5,834**	**6,337**	**26,052**
Amortisation charged to cost of sales	**1,848**	**1,810**	**1,666**	**5,324**
(Reversal of impairment charge)/impairment charge – net	**(14,503)**	**–**	**5,276**	**(9,227)**
2023				
Depreciation charged to cost of sales	12,892	5,660	5,601	24,153
Amortisation charged to cost of sales	2,035	692	1,960	4,687
Net reversal of impairment	(16,340)	(4,462)	(12,626)	(33,428)

29 Presentation of adjusted non-GAAP results

The following table provides a reconciliation between the Group's adjusted non-GAAP and statutory financial results:

	Year ended 31 December 2024			Year ended 31 December 2023		
	Adjusted non-GAAP results US$'000	Adjusting items US$'000	Statutory total US$'000	Adjusted non-GAAP results US$'000	Adjusting items US$'000	Statutory total US$'000
Revenue	167,494	–	167,494	151,603	–	151,603
Cost of sales						
– Vessel operating expenses before depreciation, amortisation and impairment	(53,703)	–	(53,703)	(53,147)	–	(53,147)
– Depreciation and amortisation	(31,376)	–	(31,376)	(28,840)	–	(28,840)
Expected credit losses	(2,006)	–	(2,006)	(207)	–	(207)
Net reversal of impairment*	–	9,227	9,227	–	33,428	33,428
Gross profit	80,409	9,227	89,636	69,409	33,428	102,837
General and administrative						
– Amortisation	(4,641)	–	(4,641)	(3,188)	–	(3,188)
– Depreciation	(145)	–	(145)	(145)	–	(145)
– Other administrative costs	(11,366)	–	(11,366)	(10,727)	–	(10,727)
– Exceptional items/legal costs**	–	(876)	(876)	–	(585)	(585)
Operating profit	64,257	8,351	72,608	55,349	32,843	88,192
Finance income	89	–	89	221	–	221
Finance expense	(23,517)	–	(23,517)	(31,431)	–	(31,431)
Impact of change in fair value of warrants	(5,348)	–	(5,348)	(11,077)	–	(11,077)
Other income	23	–	23	12	–	12
Foreign exchange loss, net	(674)	–	(674)	(987)	–	(987)
Profit before taxation	34,830	8,351	43,181	12,087	32,843	44,930
Taxation (charge)/credit						
– Taxation charge	(2,613)	–	(2,613)	(2,329)	–	(2,329)
– Exceptional tax expense**	–	(2,308)	(2,308)	–	(533)	(533)
Profit for the year	32,217	6,043	38,260	9,758	32,310	42,068
Profit attributable to:						
Owners of the Company	31,933	6,043	37,976	9,032	32,310	41,342
Non-controlling interests	284	–	284	726	–	726
Earnings per share (basic)	3.04	0.58	3.61	0.89	3.18	4.07
Earnings per share (diluted)	2.85	0.54	3.39	0.86	3.06	3.92
Supplementary non statutory information						
Operating profit	64,257	8,351	72,608	55,349	32,843	88,192
Add: Depreciation and amortisation	36,162	–	36,162	32,173	–	32,173
Adjusted EBITDA	100,419	8,351	108,770	87,522	32,843	120,365

* The reversal of impairment/impairment charge on certain vessels have been added back to gross profit to arrive at adjusted gross profit for the year ended 31 December 2024 and 2023 (refer to Note 5 for further details). Management has adjusted this due to the nature of the transaction which it believes is not directly related to operations management are able to influence. This measure provides additional information on the core profitability of the Group.

** These exceptional items/legal cost and exceptional tax expense relates to expected tax outcomes.

29 Presentation of adjusted non-GAAP results continued

	Year ended 31 December 2024			Year ended 31 December 2023		
	Adjusted non-GAAP results US$'000	**Adjusting items US$'000**	**Statutory total US$'000**	Adjusted non-GAAP results US$'000	Adjusting items US$'000	Statutory total US$'000
Cashflow reconciliation:						
Profit for the year	**32,217**	**6,043**	**38,260**	9,758	32,310	42,068
Adjustments for:						
Net reversal of impairment*	**–**	**(9,227)**	**(9,227)**	–	(33,428)	(33,428)
Amortisation of borrowings issue cost	**6**	**–**	**6**	–	–	–
Finance expenses	**23,511**	**–**	**23,511**	31,431	–	31,431
Impact of change in fair value of warrants	**5,348**	**–**	**5,348**	11,077	–	11,077
Other adjustments**	**40,035**	**3,184**	**43,219**	34,145	1,118	35,263
Cash flow from operating activities before movement in working capital	**101,117**	**–**	**101,117**	86,411	–	86,411
Change in trade and other receivables	**1,893**	**–**	**1,893**	2,003	–	2,003
Change in trade and other payables	**2,949**	**–**	**2,949**	8,140	–	8,140
Cash generated from operations	**105,959**	**–**	**105,959**	96,554	–	96,554
Income tax paid	**(2,399)**	**–**	**(2,399)**	(2,151)	–	(2,151)
Net cash flows from operating activities	**103,560**	**–**	**103,560**	94,403	–	94,403
Net cash flows used in investing activities	**(8,769)**	**–**	**(8,769)**	(12,788)	–	(12,788)
Other finance expenses paid	**(790)**	**–**	**(790)**	(374)	–	(374)
Payment of borrowings issue cost	**(5,173)**	**–**	**(5,173)**	–	–	–
Other cash flows used in financing activities	**(57,487)**	**–**	**(57,487)**	(84,850)	–	(84,850)
Net cash flows used in financing activities	**(63,450)**	**–**	**(63,450)**	(85,224)	–	(85,224)
Net change in cash and cash equivalents	**31,341**	**–**	**31,341**	(3,609)	–	(3,609)

* The reversal of impairment/impairment charge on certain vessels and related assets have been added back to cash flow from operating activities before movement in working capital for the year ended 31 December 2024 and 2023 (refer to Note 5 for further details).

** These exceptional items/legal cost and exceptional tax expense relates to expected tax outcomes.

30 Earnings per share

	2024	2023
Profit for the purpose of basic and diluted earnings per share being profit for the year attributable to Owners of the Company (US$'000)	**37,976**	41,342
Profit for the purpose of adjusted basic and diluted earnings per share (US$'000) (Note 29)	**31,933**	9,032
Weighted average number of shares ('000)	**1,050,932**	1,016,415
Weighted average diluted number of shares in issue ('000)	**1,120,919**	1,055,003
Basic earnings per share (cents)	**3.61**	4.07
Diluted earnings per share (cents)	**3.39**	3.92
Adjusted earnings per share (cents)	**3.04**	0.89
Adjusted diluted earnings per share (cents)	**2.85**	0.86

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company (as disclosed in the consolidated statement of profit or loss and other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Adjusted earnings per share is calculated on the same basis but uses the profit for the purpose of basic earnings per share (shown above) adjusted by adding back the non-operational items, which were recognised in the consolidated statement of profit or loss and other comprehensive income (Note 29). The adjusted earnings per share is presented as the Directors consider it provides an additional indication of the underlying performance of the Group.

Diluted earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, adjusted for the weighted average effect of outstanding warrants and LTIPs during the year.

Adjusted diluted earnings per share is calculated on the same basis but uses adjusted profit (Note 29) attributable to equity holders of the Group.

The following table shows a reconciliation between the basic and diluted weighted average number of shares:

	2024 '000s	2023 '000s
Weighted average basic number of shares in issue	**1,050,932**	1,016,415
Weighted average effect of warrants	**69,987**	38,588
Weighted average diluted number of shares in issue	**1,120,919**	1,055,003

31 Revenue

All revenue in the above table is in scope of IFRS 15 with the exception of lease income which is in scope of IFRS 16.

	2024 US$'000	2023 US$'000
Charter hire	**75,902**	76,111
Lease income	**67,857**	57,073
Messing and accommodation	**12,755**	9,173
Manpower income	**6,673**	5,418
Mobilisation and demobilisation	**3,712**	2,255
Sundry income	**595**	1,573
	167,494	151,603
Revenue recognised – over time	**166,816**	149,871
Revenue recognised – point in time	**678**	1,732
	167,494	151,603

Included in mobilisation and demobilisation income is an amount of US$ 3.5 million (2023: US$ 0.6 million) that was included as deferred revenue at the beginning of the financial year.

Lease income:

	2024 US$'000	2023 US$'000
Maturity analysis:		
Year 1	**87,739**	68,207
Year 2	**61,892**	56,551
Year 3*	**54,545**	26,305
Year 4*	**34,650**	24,895
Year 5*	**11,693**	22,449
	250,519	198,407

* Presented in comparative financial statements as "Year 3-5 US$ 73,649K".

Further descriptions on the above types of revenue have been provided in Note 3.

32 Finance income

	2024 US$'000	2023 US$'000
Bank interest	**89**	221

33 Finance expense

	2024 US$'000	2023 US$'000
Interest on bank borrowings	**21,612**	29,456
Gain on IRS reclassified to profit or loss	**–**	279
Loss on changes in fair value of interest rate swap (Note 11)	**–**	59
Interest on lease liabilities (Note 22)	**461**	245
Other finance expenses	**1,438**	1,392
Amortisation of borrowings issue cost	**6**	–
	23,517	31,431

34 Profit for the year

The profit for the year is stated after charging/(crediting):

	2024 US$'000	2023 US$'000
Total staff costs (see below)	**33,643**	31,230
Depreciation of property and equipment (Note 5)	**26,194**	24,297
Amortisation of dry-docking expenditure (Note 6)	**5,324**	4,687
Depreciation of right-of-use assets (Note 7)	**4,641**	3,188
Net charge of expected credit losses (Note 9)	**2,006**	207
Auditor's remuneration (see below)	**960**	1,127
Foreign exchange loss – net	**674**	987
Other income	**(23)**	(12)
Expense relating to short term leases or leases of low value assets (Note 7)	**260**	228
Reversal of impairment loss – net (Note 5)	**(9,227)**	(33,428)

The average number of full time equivalent employees (excluding non-executive Directors) by geographic area was:

	2024 Number	2023 Number
Arabian Peninsula Region	**659**	598
Rest of the world	**30**	30
	689	628

The total number of full-time equivalent employees (including executive Directors) as at 31 December 2024 was 727 (31 December 2023: 660). The number of full-time employees increased in the year due to an increase in offshore headcount from the second half of the year.

Their aggregate remuneration comprised:

	2024 US$'000	2023 US$'000
Wages and salaries	**33,071**	30,477
End of service benefit (Note 19)	**525**	723
Share based payment charge	**–**	17
Employment taxes*	**47**	13
	33,643	31,230

* Employment taxes include nil (2023: US $ 6K) in respect of social security costs for our crew working in France.

The analysis of the auditor's remuneration is as follows:

	2024 US$'000	2023 US$'000
Group audit fees	**710**	700
Overruns and out of pocket expenses in relation to 2023 Group audit	**–**	177
Subsidiary audit fees	**100**	100
Total audit fees	**810**	977
Audit-related assurance services	**150**	150
Total fees	**960**	1,127

35 Changes in liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Derivatives (Note 11) US$'000	Lease liabilities (Note 22) US$'000	Bank borrowings (Note 21) US$'000
At 1 January 2023	2,812	3,522	328,085
Financing cash flows			
Repayment of bank borrowings	–	–	(56,174)
Working capital facility	–	–	2,000
Principal elements of lease payments	–	(3,330)	–
Settlement of derivatives	327	–	–
Interest paid	–	(245)	(27,428)
Total financing cash flows	327	(3,575)	(81,602)
Non-cash changes:			
Recognition of new lease liability additions	–	3,231	–
Derecognition of lease liability	–	(67)	–
Interest on lease liabilities (Note 33)	–	245	–
Interest on bank borrowings (Note 33)	–	–	29,456
Net gain on change in fair value of IRS (Note 11)	59	–	–
Impact of change in fair value of warrants (Note 11)	11,077	–	–
Total non-cash changes	11,136	3,409	29,456
At 31 December 2023	14,275	3,356	275,939
Financing cash flows			
Repayment of bank borrowings	**–**	**–**	**(275,939)**
Proceeds from bank borrowings	**–**	**–**	**241,189**
Payment of borrowings issue costs	**–**	**–**	**(5,173)**
Principal elements of lease payments	**–**	**(4,478)**	**–**
Interest paid	**–**	**(461)**	**(21,612)**
Total financing cash flows	**–**	**(4,939)**	**(61,535)**
Non-cash changes:			
Recognition of new lease liability additions	**–**	**5,512**	**–**
Derecognition of lease liability	**–**	**(29)**	**–**
Interest on lease liabilities (Note 33)	**–**	**461**	**–**
Interest on bank borrowings (Note 33)	**–**	**–**	**21,612**
Amortisation of borrowings issue costs	**–**	**–**	**6**
Derecognition of warrants exercised (Note 11)	**(10,431)**	**–**	**–**
Impact of change in fair value of warrants (Note 11)	**5,348**	**–**	**–**
Total non-cash changes	**(5,083)**	**5,944**	**21,618**
At 31 December 2024	**9,192**	**4,361**	**236,022**

36 Events after the reporting period

Subsequent to the period end:

- The Group made prepayments towards the bank borrowings of US$ 40.3 million.
- 38,353,361 warrants were exercised by the holders resulting in issuance of 59,999,998 new ordinary shares.
- Certain governments have announced the introduction of increased tariffs on imports. The announcement has caused instability in financial markets and has increased the risk of recession, inflation and increases in cost of debt. The situation is rapidly evolving. The announcement of tariffs is considered a non-adjusting post reporting date event. An estimate of the impact of recently announced tariffs cannot be made currently. While we expect that the future demand for SESV's to remain overall unchanged, our plans to increase resilience to secure GMS through a potential downturn of the economy are more than ever crucial. Management is constantly and closely monitoring the developments.

Company statement of financial position
For the year ended 31 December 2024

	Notes	2024 US$'000	2023 US$'000
Non-current assets			
Investment in subsidiaries	5	**443,697**	368,666
Other receivables	7	**119,041**	93,943
Total non-current assets		**562,738**	462,609
Current assets			
Other receivables	7	**109**	143
Cash and cash equivalents	6	**163**	25
Total current assets		**272**	168
Creditors: Amounts falling due within one year			
Other payables	9	**116,650**	91,464
Warrants	10	**9,192**	14,275
Net current liabilities		**125,570**	105,571
Net assets		**437,168**	357,038
Equity			
Share capital – Ordinary	11	**31,472**	30,117
Capital redemption reserve	11	**46,445**	46,445
Share premium account	11	**111,995**	99,105
Retained earnings		**247,256**	181,371
Total equity		**437,168**	357,038

The Company reported a profit for the financial year ended 31 December 2024 of US$ 65.9 million (2023: US$ 105.5 million).

The separate financial statements of Gulf Marine Services PLC (registered number 08860816) were approved by the Board of Directors and authorised for issue on 08 April 2025.

Signed on behalf of the Board of Directors

Mansour Al Alami

Executive Chairman

The attached Notes 1 to 13 form an integral part of these separate financial statements.

Company statement of changes in equity
For the year ended 31 December 2024

	Share capital – Ordinary US$'000	Capital redemption reserve US$'000	Share premium account US$'000	Share-based payment reserve US$'000	Retained earnings US$'000	Total equity US$'000
At 1 January 2023	30,117	46,445	99,105	3,631	72,277	251,575
Profit for the year	–	–	–	–	105,463	105,463
Other comprehensive income for the year	–	–	–	–	–	–
Total comprehensive income for the year	–	–	–	–	105,463	105,463
Transactions with owners of the Company						
Share-based payment charge	–	–	–	17	(17)	–
Transfer of share option reserve	–	–	–	(3,648)	3,648	–
Total transactions with owners of the Company	–	–	–	(3,631)	3,631	–
At 31 December 2023	30,117	46,445	99,105	–	181,371	357,038
Profit for the year	**–**	**–**	**–**	**–**	**65,885**	**65,885**
Other comprehensive income for the year	**–**	**–**	**–**	**–**	**–**	**–**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**65,885**	**65,885**
Transactions with owners of the Company						
Issue of share capital	**1,355**	**–**	**12,973***	**–**	**–**	**14,328**
Share issuance cost	**–**	**–**	**(83)**	**–**	**–**	**(83)**
Total transactions with owners of the Company	**–**	**–**	**12,890**	**–**	**–**	**14,245**
At 31 December 2024	**31,472**	**46,445**	**111,995**	**–**	**247,256**	**437,168**

* Addition to share premium amount reflects cash proceeds US$ 2.5million and release of warrants liability of US$ 10.4million upon exercise of warrants.

The attached Notes 1 to 13 form an integral part of these separate financial statements.

1 Corporate information

Gulf Marine Services PLC ("the Company") is a public company limited by shares in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office of the Company is 107 Hammersmith Road, London, United Kingdom, W14 0QH. The registered number of the Company is 08860816. The Company is the parent company of the Gulf Marine Services PLC Group comprising of Gulf Marine Services PLC and its underlying subsidiaries ("the Group"). The shareholder pattern of the Group is disclosed on page 85 of the annual report. The consolidated Group accounts are publicly available.

2 Material accounting policies

Currency

The functional and presentational currency of the Company is US Dollars ("US$").

Going concern

The Company's ability to continue as a going concern is premised on the same assessment as the Group.

The Directors have assessed the Group's financial position through to June 2026 and hold a reasonable expectation of its ability to continue as going concern for the foreseeable future. With four consecutive years of reported profit and a forecast of continued positive operating cash flows, particularly in light of the market outlook, the Group remains well-positioned for sustained success.

In December 2024, the Group completed the refinancing of a US$ 300.0 million (AED 1,101.5 million) loan facility (comprising a US$ 250.0 million (AED 924.0 million) term loan amortised over five years and a US$ 50.0 million (AED 177.5 million) working capital facility), denominated in United Arab Emirates Dirhams (AED). The working capital facility includes a cash commitment of US$ 20.0 million (31 December 2023: US$ 20.0 million), but if no cash is drawn, the full facility remains available for performance bonds and guarantees. The working capital facility expires alongside the main debt facility in December 2029. The three banks, two of which are current lenders, have an equal participation in the term loan and in the working capital facility.

The refinancing was secured at a more favorable interest rate, which is based on EIBOR plus a margin. The margin is determined by a ratchet depending on leverage levels. The improved terms will lower financing costs and enhance the Group's flexibility in capital allocation.

The Group closely monitors its liquidity and is expected to meet its short-term obligations over the next twelve months. Subsequent to the year end, the Group made prepayments of US$ 40.3 million towards its bank borrowings. The loan prepayments were made after taking into account the forecast cashflows for 2025.

The forecast used for Going Concern reflects management's key assumptions including those around vessel utilisation, vessel day rates on a vessel-by-vessel basis. Specifically, these assumptions are:

- average day rates across the fleet are assumed to be US$ 34.8k for the 18-month period to 30 June 2026;
- 92% forecast utilisation for the 18-month period to 30 June 2026;
- pipeline of tenders and opportunities for new contracts that would commence during the forecast period.

A downside case was prepared using the following assumptions:

- no work-to-win during the 18-months period to 30 June 2026;
- options for five vessel contracts are not exercised by the customers during the 18-months period to 30 June 2026;
- 16 percentage points reduction in utilisation for the 18-months period to 30 June 2026;
- interest rate on EIBOR to remain at current levels.

Based on the above scenario, the Group would not be in breach of its current term loan facility. The downside case is considered to be severe, but it would still leave the Group with sufficient liquidity and in compliance with the covenants under the Group's banking facilities throughout the assessment period.

In addition to the above downside sensitivity, the Directors have also considered a reverse stress test, where EBITDA has been sufficiently reduced to breach debt covenant. This scenario assumes a substantial increase in operational downtime to 19%, compared to the base case cashflows with a 2.5% operational downtime. The significant increase in operational downtime for the forecast period would result in breach of the Debt Service Cover ratios. However, it is important to note, that GMS has reported annual operational downtime of less than 2.5% over the past five years.

Should circumstances arise that differ from the Group's projections, the Directors believe that a number of mitigating actions can be executed successfully in the necessary timeframe to meet debt repayment obligations as they become due and in order to maintain liquidity. Potential mitigating actions include the vessels off hire for prolonged periods could be cold stacked to minimise operating costs on these vessels which has been factored into the downside case. Additional mitigations could be considered including but not limited to reduction in overhead costs, relaxation/waiver from covenant compliance and rescheduling of repayments with lenders.

Management is aware of the broader operating context and acknowledges the potential impact of climate change on the Group's consolidated financial statements. However, it is anticipated that climate change will have limited effect during the going concern assessment period.

After considering reasonable risks and potential downsides, the Group's forecasts suggest that its bank facilities, combined with high utilisation at higher day rates and a pipeline of near-term opportunities for additional work, will provide sufficient liquidity to meet its needs in the foreseeable future. Accordingly, the consolidated financial statements for the Group for the year ended 31 December 2024 have been prepared on a going concern basis.

Basis of accounting

The separate financial statements of the Company are presented as required by the Companies Act 2006. These have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The Company has elected to take the exemption under Section 408 of the Companies Act 2006 (the "Act") to not present the Company Income Statement nor the Company Statement of Comprehensive Income. The result for the Company for the year was a profit of US$ 65.9 million (2023: US$ 105.5 million). The principal accounting policies are summarised below. They have all been applied consistently throughout both years.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore, taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to the presentation of a statement of profit or loss and other comprehensive income, cash flow statement, remuneration of key management personnel, and financial instrument disclosures. Refer to Note 23 for remuneration of key management personnel and Note 26 for financial instrument disclosures in consolidated financial statements.

Investments

Investments in subsidiaries are recognised at cost less impairment.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities

Financial liabilities are classified as either financial liabilities at Fair Value Through Profit or Loss (''FVTPL'') or ''other financial liabilities''.

Other payables are classified as ''other financial liabilities''. Other financial liabilities are initially measured at the transaction price, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate ("EIR") method, with interest expense recognised on an effective interest rate, except for short-term payables or when the recognition of interest would be immaterial.

The EIR method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The EIR is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

Derivative liability

The Company considers whether a contract contains a derivative liability, including warrants, when it becomes a party to the contract. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial assets

Basic financial assets including other receivables and cash and bank balances are initially measured at transaction price, plus transaction costs. Such assets are subsequently carried at amortised cost using the effective interest method. Interest income is recognised by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Other financial assets are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Impairment of financial assets

Financial assets, includes investment in subsidiaries, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

2 Material accounting policies continued

Taxation

Current tax, including UK Corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Deferred tax is measured on a non-discounted basis. Timing differences are differences between the Company's taxable profits and its results as stated in the separate financial statements that arise from the inclusion of gains and losses in tax assessment periods different from those in which they are recognised in the separate financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the spot rate or the rate of exchange ruling at the reporting date and the gains or losses on translation are included in the profit or loss account.

Share-based payments

The fair value of an equity instrument is determined at the grant date based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted. If market prices are not available for share awards, the fair value of the equity instruments is estimated using a valuation technique to derive an estimate of what the price of those equity instruments would have been at the relevant measurement date in an arm's length transaction between knowledgeable, willing parties. Equity-settled share-based payments to employees are measured at the fair value of the instruments, using a binomial model together with Monte Carlo simulations as at the grant date, and is expensed over the vesting period. The value of the expense is dependent upon certain key assumptions including the expected future volatility of the Company's share price at the date of grant.

The fair value measurement reflects all market based vesting conditions. Service and non-market performance conditions are taken into account in determining the number of rights that are expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to equity reserves.

3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical judgements in applying the Company's accounting policies

Critical accounting judgements are those which management make in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the separate financial statements.

Management has not made any critical judgements in applying the Company's accounting policies for the year ended 31 December 2024.

Key source of estimation uncertainty

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty that may have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year, are outlined below.

Recoverability of investment in subsidiaries

As noted above, the Company performs impairment reviews in respect of investments whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's net realisable value and its value in use, is less than its carrying amount. The recoverability of investments is primarily impacted by the cash flows of the vessels owned by the Group's subsidiary undertakings and cash flows related to the Group's debt facility.

The projection of cash flows related to vessels and debt facility requires the use of various estimates including future day rates, vessel utilisation levels, and discount rates, in which the estimate is most sensitive. For further details on analysis of the sensitivities of these estimates, refer to Note 5. The Company undertook a full impairment review of its investments during the year. The review led to the recognition of an aggregate impairment reversal of US$ 75.0 million (2023: US$ 120.1 million) on the investment in subsidiaries (see Note 5). As at 31 December 2024, the Company had investments of US$ 443.7 million (2023: US$ 368.7 million).

Key source of estimation uncertainty continued

Fair valuation of Warrants

Management commissioned an independent valuation expert to measure the fair value of the warrants, which was determined using Monte Carlo option-pricing model. Inputs used in conducting the Monte-Carlo simulation are the impact of movements in both the USD/GBP exchange rate, and the price per ordinary share over the life of the warrants. The simulation considers sensitivity by building models of possible results by substituting a range of values. The increase in fair value of the warrants is primarily due to increase in share price and its volatility. A 10% change in share price will increase or decrease the valuation by US$ 1.5 million. A 10% change in share price volatility will increase or decrease the valuation by US$ 7k.

4 Dividends

There was no dividend declared or paid in 2024 (2023: nil). No final dividend in respect of the year ended 31 December 2024 is expected to be proposed at the 2024 AGM. Our future dividend policy allocating 20%-30% of the annual adjusted net profit for distributions to shareholders, through a dividend and /or potential share buybacks, provided other plans permit and that loan covenants are fully met, was announced during the year.

5 Investment in subsidiaries

	2024 US$'000	2023 US$'000
Gross investment in subsidiaries as at 01 January	**574,472**	574,472
Gross investment in subsidiaries as at 31 December	**574,472**	574,472
Impairment as at 1 January	**(205,806)**	(325,892)
Impairment reversal of investments during the year	**75,031**	120,086
Impairment as at 31 December	**(130,775)**	(205,806)
Carrying amount as at 31 December	**443,697**	368,666

Based on the impairment reviews performed in previous years, management recognised impairment losses of US$ 327.7 million and US$ 17.0 million for the years ended 31 December 2020 ("FY20") and 31 December 2021 ("FY21"), respectively. As conditions improved, including day rates, utilisation, and market outlook, the historical impairment losses were subsequently reversed of US$ 18.8 million and US$ 120.1 million in the financial years 2022 and 2023 respectively.

As at 31 December 2024, and in line with the FRS 102 requirements, management concluded that a formal impairment assessment was required to determine the recoverable amount of its investments in subsidiaries. Factors considered by management included favourable indicators, including an improvement in utilisation, day rates, an increase in market values of vessels and decrease in interest rate, and unfavourable indicators including the market capitalisation of the Group remaining below the book value of the Group's equity.

The review was done by determining the recoverable amount of each vessel in the fleet as the underlying cash generating units of the investment in subsidiaries. The net bank debt of the GMS Group was then deducted from the value in use of the investments, which was based on the combined value in use of vessels within the Group.

The Group also obtained an independent valuation of its vessels as at 31 December 2024 for the purpose of its banking covenant compliance requirements. However, consistent with prior years, management does not consider these valuations to represent a reliable estimate of the fair value for the purpose of assessing the recoverable value of the Group's vessels, noting that there have been limited, if any, "willing buyer and willing seller" transactions of similar vessels in the current offshore vessel market on which such values could reliably be based. Due to these inherent limitations, management concluded that recoverable amount should be based on value in use.

Value in use assessment is based on management's projections of utilisation and day rates and associated cash flows and adjusted to include full overheads and future tax charges. The risk adjusted cash flows were discounted using the post-tax discount rate of 10.6% (2023: 11.5%), which is based on the Group's weighted average cost of capital. This post-tax discount rate is converted to pre-tax discount rate (11.98%) for use in impairment of fleet assets assessment in the consolidated financial statements of the Group. The cost of equity incorporated in the computation of the discount rate is based on the industry sector average betas, risk-free rate of return as well as Group specific risk premium reflecting any additional risk factors relevant to the Group. A post tax discount rate was used as the cashflows to derive the value in use of investment in subsidiaries includes the impacts of tax as described above.

The review led to the recognition of an aggregate impairment reversal of US$ 75.0 million (2023: US$ 120.1 million) on the investment in subsidiaries. The assessment described above takes into account complete profitability of underlying investments which also included implications of tax and debt.

The Company has conducted an analysis of the sensitivity of the impairment test to reasonably possible changes in the key assumptions (day rates, utilisation and nominal post-tax discount rates) used to determine the recoverable amount of investments.

The first sensitivity modelled a 10% increase/reduction to day rates over the remaining useful economic life of vessels included in investments. A second sensitivity modelled a 10% increase/reduction to utilisation rates. Management would not expect an assumption change of more than 10% across all vessels within the next financial year, and accordingly believes that a 10% sensitivity to day rates and utilisation is appropriate.

5 Investment in subsidiaries continued

A third sensitivity was modelled where a 1% increase/decrease was applied to the post-tax discount rate mentioned above. Given that the change in the discount rate from the previous year is less than 1%, a 1% increase or decrease was deemed appropriate for this analysis.

The results of the first sensitivity indicated that a 10% decrease to day rates would reverse the impairment reversal of US$ 75.0 million and result in additional impairment charge of US$ 47.4 million (total impact of US$ 122.4 million). In comparison, a 10% increase to day rates would increase the impairment reversal by US$ 122.3 million to US$ 197.3 million. The total carrying amount of investments would be US$ 321.2 million and US$ 566.0 million, respectively.

The results of the second sensitivity indicated that a 10% decrease to utilisation would reverse the impairment reversal of 75.0 million and result in additional impairment charge of US$ 47.4 million (total impact of US$ 122.4 million). In comparison, a 10% increase to utilisation would increase the impairment reversal by US$ 87.5 million to US$ 162.5 million. The total carrying amount of investments would be US$ 321.2 million and US$ 531.2 million, respectively.

The results of the third sensitivity indicated that a 1% decrease to the post-tax discount rate would lead to an increase in impairment reversal by US$ 46.7 million to US$ 121.7 million, whereas a 1% increase to the post-tax discount rate would lead to decrease to the impairment reversal by US$ 41.3 million to US$ 33.7 million. The total carrying amount of investments would be US$ 490.4 million and US$ 402.4 million, respectively.

The Company has investments in the following subsidiaries:

Name	Place of Registration	Registered Address	Proportion of Ownership Interest 2024	2023	Type of Activity
Gulf Marine Services W.L.L.	United Arab Emirates	Office 403, International Tower, 24th Karama Street, P.O. Box 46046, Abu Dhabi, United Arab Emirates	**100%**	100%	Marine contractors
Gulf Marine Services W.L.L. – Qatar Branch	Qatar	22 Floor, Office 22, Tornado Tower, Majilis Al Tawoon Street, P.O. Box 27774, Doha, Qatar	**100%**	100%	Marine contractors
Offshore Holding Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Holding Company
Offshore Logistics Invt SA**	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Dormant
Offshore Accommodation Invt SA**	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Dormant
Offshore Jack-up Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Kamikaze”
Offshore Craft Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “GMS Endeavour”
Offshore Structure Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Kikuyu”
Offshore Maritime Invt SA**	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of “Helios” – Dormant
Offshore Tugboat Invt SA**	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of “Atlas” – Dormant
Offshore Boat Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Kawawa”
Offshore Kudeta Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Kudeta”
GMS Endurance Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Endurance”

Name	Place of Registration	Registered Address	Proportion of Ownership Interest 2024	2023	Type of Activity
Gulf Marine Services (UK) Limited	United Kingdom	14 Carden Place, Aberdeen, AB10 1UR	**100%**	100%	Operator of offshore barges
Gulf Marine Saudi Arabia Co. Limited	Saudi Arabia	King Fahad Road, Al Khobar, Eastern Province, P.O. Box 31411 Kingdom Saudi Arabia	**75%**	75%	Operator of offshore barges
Gulf Marine Services (Asia) Pte. Ltd.	Singapore	1 Scotts Road, #21-07, Shaw Centre, Singapore, 228208	**100%**	100%	Operator of offshore barges
Gulf Marine Services (Asia) Pte. Limited – Qatar branch	Qatar	22 Floor, Office 22, Tornado Tower, Majilis Al Tawoon Street, P.O. Box 27774, Doha, Qatar	**100%**	100%	Operator of offshore barges
GMS Enterprise Investment SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Enterprise”
GMS Sharqi Investment SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Sharqi”
GMS Scirocco Investment SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Scirocco”
GMS Shamal Investment SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Shamal”
GMS Jersey Holdco. 1 Limited*	Jersey	12 Castle Street, St. Helier, Jersey, JE2 3RT	**100%**	100%	General investment
GMS Jersey Holdco. 2 Limited	Jersey	12 Castle Street, St. Helier, Jersey, JE2 3RT	**100%**	100%	General investment
GMS Marine Middle East FZE	United Arab Emirates	ELOB, Office No. E-16F-04, P.O. Box 53944, Hamriyah Free Zone, Sharjah	**100%**	100%	Operator of offshore barges
GMS Global Commercial Invt LLC	United Arab Emirates	Office 403, International Tower, 24th Karama Street, P.O. Box 46046, Abu Dhabi, United Arab Emirates	**100%**	100%	General investment
GMS Keloa Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Keloa”
GMS Pepper Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Pepper”
GMS Evolution Invt SA	Panama	Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Owner of barge “Evolution”
Gulf Marine Services LLC	Qatar	Qatar Financial Centre, Doha	**100%**	100%	Marine contractor
GMS Phoenix Investment SA**		Bloc Office Hub, Fifth Floor, Santa Maria Business District, Panama, Republic of Panama	**100%**	100%	Dormant

* Held directly by Gulf Marine Services PLC.
** Wound up on 29 January 2025.

6 Cash and cash equivalents

	2024 US$'000	2023 US$'000
Interest bearing		
Cash at bank	**163**	25
Total cash and cash equivalents	**163**	25

7 Other receivables

	2024 US$'000	2023 US$'000
Non-current assets		
Amounts receivable from Group undertakings	**119,041**	93,943
	119,041	93,943
Current assets		
Prepayments	**109**	143
	109	143
	119,150	94,086

Amounts receivable from Group undertakings are interest-free, unsecured and have no fixed repayment terms. The Group has no intention to call the debt within 12 months.

8 Deferred tax asset

At the reporting date, the Company has unused tax losses of US$ 27.8 million available for offset against future profits (2023: US$ 20.8 million). These UK tax losses may be carried forward indefinitely. The Company is not expected to have any future taxable profits to be able to utilise the deferred tax assets and therefore, no deferred tax asset has been recognised in the current year (2023: nil).

9 Other payables

	2024 US$'000	2023 US$'000
Amounts falling due within one year		
Amounts owed to Group undertakings	**115,388**	89,770
Accruals	**1,262**	1,694
	116,650	91,464

Amounts owed to Group undertakings are current, interest-free, unsecured and have no fixed repayment terms.

Balances with related parties are repayable on demand. The present value of the liability is deemed to equal the undiscounted cash amount payable. No interest charge is therefore, imputed on these amounts.

10 Warrants

Under the terms of the Group's loan facility, the Group was required to issue warrants to its lenders as GMS had not raised US$ 50.0 million of equity by 31 December 2022.

On 2 January 2023, as the US$ 50.0 million equity raise did not take place, therefore, 87,621,947 warrants were issued to the lenders. Based on the final report prepared by a Calculation Agent, the warrants give right to their holders to acquire 137,075,773 shares at an exercise price of 5.75 pence per share for a total consideration of £7.9 million. Warrant holders will have the right to exercise their warrants up to the end of the term of the loan facility, being 30 June 2025.

During the year, 34,218,700 warrants were exercised by the holders resulting in issuance of 53,531,734 new ordinary shares with a nominal value of 2 pence per share and share premium of 3.75 pence per share. The fair value of the warrants that were exercised was recalculated at the time of exercise. The fair value of 34,218,700 warrant exercised was calculated at US$ 10.4 million. This fair value is added to the actual cash raised of US$ 3.9 million, in line with Companies Act 2006 to give a total increase in share capital and share premium of US$ 14.3 million. Issue costs of US$ 83k have been reduced from the share premium account. Shares issued as a result of the exercise of warrants were ordinary shares with identical rights and privileges as the existing shares of the Group.

Management commissioned an independent valuation expert to measure the fair value of the outstanding warrants as of 31 December 2024, which was determined using Monte Carlo option-pricing model that takes into consideration the impact of movements in both the USD/GBP exchange rate, and the price per ordinary share, over the life of the warrants. The simulation considers sensitivity by building models of possible results by substituting a range of values. Warrants valuation represents a Level 3 fair value measurement under IFRS 13 hierarchy. The fair value of the 53,403,247 outstanding warrants as at 31 December 2024 was US$ 9.2 million (31 December 2023: US$ 14.3 million for 87,621,947 warrants). On a per warrant basis, 31 December 2024 valuation stands at US$ 0.172 per warrant representing a 5.3% increase from the 31 December 2023 valuation of US$ 0.163 per warrant, which is primarily attributable to increase in share price of the Company. The share price increased from 14.5 pence as at 31 December 2023 to 15.1 pence as at 31 December 2024. A 10% change in share price will increase or decrease the valuation by US$ 1.5 million. A 10% change in share price volatility will increase or decrease the valuation by US$ 7k.

The movement in the warrants is as follows:

	2024 US$'000	2023 US$'000
At 1 January	**(14,275)**	(3,198)
Derecognition of warrants exercised	**10,431**	–
Impacts on change in fair value of warrants	**(5,348)**	(11,077)
As at 31 December	**(9,192)**	(14,275)

11 Share capital and reserves

The share capital of the Company was as follows:

Ordinary shares at £0.02 per share

	Number of ordinary shares (Thousands)	Ordinary shares US$'000
At 1 January 2024	1,016,415	30,117
Issue of share capital (Note 10)	53,531	1,355
At 31 December 2024	**1,069,946**	**31,472**

	Number of ordinary shares (Thousands)	Ordinary shares US$'000
At 1 January 2023	1,016,415	30,117
At 31 December 2023	**1,016,415**	**30,117**

Capital redemption reserve

	Number of ordinary shares (Thousands)	Capital redemption reserve US$'000
At 1 January 2024	350,488	46,445
At 31 December 2024	**350,488**	**46,445**

Share premium

	Number of ordinary shares (Thousands)	Share premium account US$'000
At 1 January 2024	1,016,415	99,105
Issue of share capital (Note 10)	53,531	12,973
Share issue cost	–	(83)
At 31 December 2024	**1,069,946**	**111,995**

Prior to an equity raise on 28 June 2021 the Company underwent a capital reorganisation where all existing ordinary shares with a nominal value of 10 pence per share were subdivided and redesignated into 1 ordinary share with a nominal value of 2 pence and 1 deferred share with a nominal value of 8 pence each. The previously recognised share capital balance relating to the old 10 pence ordinary shares was allocated pro rata to the new subdivided 2 pence ordinary shares and 8 pence deferred shares. The deferred shares had no voting rights and no right to the profits generated by the Group. On winding-up or other return of capital, the holders of deferred shares had extremely limited rights, if any. The Company had the right but not the obligation to buyback all of the deferred shares for an amount not exceeding £1.00 in aggregate, which with the shareholders' approval, was completed on 30 June 2022. Accordingly, 350,487,787 deferred shares were cancelled. Following the cancellation of the Deferred shares on 30 June 2022, a transfer of US$ 46.4 million was made from Share capital – Deferred to a Capital redemption reserve. There was no dilution to the shares ownership as a result of the share reorganisation.

Under the Companies Act, a share buy-back by a public company can only be financed through distributable reserves or the proceeds of a fresh issue of shares made for the purpose of financing a share buyback. The Company had sufficient reserves to purchase the Deferred shares for £1.00.

The Company has one class of ordinary shares, which carry no right to fixed income.

The share premium account contains the premium arising on issue of equity shares, net of related costs. The Company has issued ordinary share capital on the exercise of previously issued warrants to its lenders which has resulted in issuance of ordinary shares of 53,531,734 on 31 May 2024 (refer Note 10).

The retained earnings represent cumulative profits or losses net of dividends paid and other adjustments.

12 Staff numbers and costs

The average monthly number of employees (including executive Directors) was:

	2024 Number	2023 Number
Administration	**4**	4
	4	4

Their aggregate remuneration comprised:

	2024 US$'000	2023 US$'000
Wages and salaries	**353**	244
	353	244

13 Events after the reporting period

Subsequent to the period end:

- The Group made prepayments towards the bank borrowings of US$ 40.3 million.
- 38,353,361 warrants were exercised by the holders resulting in issuance of 59,999,998 new ordinary shares.
- Certain governments have announced the introduction of increased tariffs on imports. The announcement has caused instability in financial markets and has increased the risk of recession, inflation and increases in cost of debt. The situation is rapidly evolving. The announcement of tariffs is considered a non-adjusting post reporting date event. An estimate of the impact of recently announced tariffs cannot be made currently. While we expect that the future demand for SESV's to remain overall unchanged, our plans to increase resilience to secure GMS through a potential downturn of the economy are more than ever crucial. Management is constantly and closely monitoring the developments.

Glossary

Alternative Performance Measure (APMs) – An APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework.

APMs are non-GAAP measures that are presented to provide readers with additional financial information that is regularly reviewed by management and the Directors consider that they provide a useful indicator of underlying performance. Adjusted results are also an important measure providing useful information as they form the basis of calculations required for the Group's covenants. However, this additional information presented is not uniformly defined by all companies including those in the Group's industry. Accordingly, it may not be comparable with similarly titled measures and disclosures by other companies. Additionally, certain information presented is derived from amounts calculated in accordance with IFRS but is not itself an expressly permitted GAAP measure. Such measures should not be viewed in isolation or as an alternative to the equivalent GAAP measure. In response to the Guidelines on APMs issued by the European Securities and Markets Authority (ESMA), we have provided additional information on the APMs used by the Group.

Adjusted diluted earnings/loss per share – represents the adjusted earnings/loss attributable to equity holders of the Company for the period divided by the weighted average number of ordinary shares in issue during the period, adjusted for the weighted average effect of warrants and Long Term Incentive Plans (LTIPs) outstanding during the period. The adjusted earnings/loss attributable to equity shareholders of the Company is used for the purpose of basic gain/loss per share adjusted by adding back the charge for/(deducting reversal of) impairment, and any exceptional costs. This measure provides additional information regarding earnings per share attributable to the underlying activities of the business. A reconciliation of this measure is provided in Note 29 to the consolidated financial statements.

Adjusted EBITDA – represents operating profit after adding back depreciation, amortisation, exceptional items and impairment charges or deducting reversal of impairment. This measure provides additional information in assessing the Group's underlying performance that Management is more directly able to influence in the short term and on a basis comparable from year to year. A reconciliation of this measure is provided in note 29 to the consolidated financial statements.

Adjusted EBITDA margin – represents adjusted EBITDA divided by revenue. This measure provides additional information on underlying performance as a percentage of total revenue derived by the Group.

Adjusted gross profit/(loss) – represents gross profit/loss after deducting reversal of impairment/adding back impairment charges. This measure provides additional information on the core profitability of the Group. A reconciliation of this measure is provided in Note 29 to the consolidated financial statements.

Adjusted net profit/(loss) – represents net profit/(loss) after removing the impact of net impairment charge or reversals and other exceptional costs. This measure provides additional information in assessing the Group's total performance that management is more directly able to influence and, on a basis, comparable from year to year. A reconciliation of this measure is provided in note 29 to the consolidated financial statements.

Average fleet utilisation – represents the percentage of available days in a given period during which the fleet of self-elevating support vessels (SESVs) is under contract and earning a day rate from customers.

It is calculated by dividing the total on-hire days under contract across all SESVs during the period by the total available days (i.e., the number of SESVs in the fleet multiplied by the total days in the period), expressed as a percentage.

Cost of sales excluding depreciation and amortisation – represents cost of sales excluding depreciation and amortisation. This measure provides additional information of the Group's cost for operating the vessels. A reconciliation is shown below:

	2024 US$'000	2023 US$'000
Statutory cost of sales	**85,079**	81,987
Less: depreciation and amortisation	**(31,376)**	(28,840)
	53,703	53,147

Cost of sales as a percentage of revenue – represents reported cost of sales divided by revenue.

EBITDA – or earnings before interest, tax, depreciation and amortisation. This was derived by adding back the depreciation and amortisation, and removing the impact of exceptional costs and any impairment charge or reversal to the operating profit. This measure provides additional information of the underlying operating performance of the Group. A reconciliation of this measure is provided in Note 29.

Net bank debt – represents the total bank borrowings less cash and cash equivalents. This measure provides additional information of the Group's financial position. A reconciliation is shown below:

	2024 US$'000	2023 US$'000
Statutory bank borrowings	**236,022**	275,939
Add: unamortised issue costs	**5,167**	–
Less: cash and cash equivalents	**(40,007)**	(8,666)
	201,182	267,273

Finance leases are excluded from net bank debt to ensure consistency with definition of the Group's banking covenants.

Net cash flow before debt service – the sum of cash generated from operations and investing activities.

Net leverage ratio – the ratio of net bank debt at year end to adjusted EBITDA to align with the terms of our bank facility agreement. The reconciliation is shown below:

	2024 US$'000	2023 US$'000
A: Net bank debt, as identified above	201,182	267,273
B: Adjusted EBITDA, as disclosed in Note 29	100,419	87,522
Net leverage ratio (A/B):	2.00	3.05

Non-operational finance expenses – this pertains to the items like cost to acquire new bank facility, fair value movement in debt arrangement etc.

Operational downtime – downtime due to technical failure.

Segment adjusted gross profit/loss – represents gross profit/loss after depreciation, amortisation and expected credit losses but before the charge or reversal of impairment. This measure provides additional information on the core profitability of the Group attributable to each reporting segment. A reconciliation of this measure is provided in Note 30.

Underlying performance – day to day trading performance that management are directly able to influence in the short term.

Other definitions

Average day rates	we calculate the average day rates by dividing total charter hire revenue per month by total hire days per month throughout the year and then calculating a monthly average.
Backlog	represents firm contracts and extension options held by clients. Backlog equals (charter day rate x remaining days contracted) + ((estimated average Persons On Board x daily messing rate) x remaining days contracted) + contracted remaining unbilled mobilisation and demobilisation fees.
Borrowing rate	EIBOR or SOFR plus margin.
Day rates	rate per day charge to customers per hire of vessel as agreed in the contract.
Debt Service Cover	represents the ratio of Adjusted EBITDA to debt service.
Demobilisation	fee paid for the vessel re-delivery at the end of a contract, in which client is allowed to offload equipment and personnel.
DEPS/DLPS	diluted earnings/losses per share.
EIBOR	Emirates Interbank Offered Rate.
Employee retention	percentage of staff who continued their employment during the year divided by the total number of employees as at 31 December. Retirements and redundancies are excluded from the calculation.
EPC	engineering, procurement and construction.
ESG	environmental, social and governance.
Finance service	the aggregate of a) Net finance charges for that period; and b) All scheduled payments of principal and any other schedule payments in the nature of principal payable by the Group in that period in respect of financing: i) Excluding any amounts falling due in that period under any overdraft, working capital or revolving facility which were available for simultaneous redrawing under the terms of that facility; ii) Excluding any amount of PIK that accretes in that period; iii) Including the amount of the capital element of any amounts payable under any Finance Lease in respect of that period; and iv) Adjusted as a result of any voluntary or mandatory prepayment
GMS core fleet	consists of 13 SESVs, with an average age of fourteen years.
Interest Cover	represents the ratio of Adjusted EBITDA to Net finance charges.
IOC	Independent Oil Company.
KPIs	key performance indicators.
Lost Time Injuries	any workplace injuries sustained by an employee while on the job that prevents them from being able to perform their job for a period of one or more days.
Lost Time Injury Rate (LTIR)	the lost time injury rate per 200,000 man hours which is a measure of the frequency of injuries requiring employee absence from work for a period of one or more days.
SOFR	Secured Overnight Financing Rate.
Mobilisation	fee paid for the vessel readiness at the start of a contract, in which client is allowed to load equipment and personnel.
Net finance charges	represents finance charges as defined by the terms of the Group's banking facility for that period less interest income for that period.
NOC	National Oil Company.
OSW	Offshore Wind.

PIK	Payment In Kind. Under the previous banking documents dated 31 March 2021, PIK is calculated at 5.0% per annum on the total term facilities outstanding amount and reduces to: a. 2.5% per annum when Net Leverage reduces below 5.0x b. Nil when Net Leverage reduces below 4.0x Under the documents dated 31 March 2021, PIK accrues on either 1 July 2021 if the US$ 25 million equity is not raised by 30 June 2021, or from 1 January 2023 if the US$ 50 million is not raised by 31 December 2022. PIK stops accruing at the date on which all loans are paid or discharged in full.
Restricted work day case (RWDC)	any work-related injury other than a fatality or lost work day case which results in a person being unfit for full performance of the regular job on any day after the occupational injury.
Secured backlog	represents firm contracts and extension options held by clients. Backlog equals (charter day rate x remaining days contracted) + ((estimated average Persons On Board x daily messing rate)) x remaining days contracted) + contracted remaining unbilled mobilisation and demobilisation fees.
Secured day rates	day rates on firm plus option period from signed contracts.
Secured utilisation	contracted days of firm plus option period of charter hire from existing signed contracts.
Security Cover (loan to value)	the ratio (expressed as a percentage) of total net bank debt at that time to the market value of the vessels mortgaged under the debt facility.
SESV	Self-Elevating Support Vessels.
Total Recordable Injury Rate (TRIR)	represents he frequency of recordable injuries per 200,000 man hours and includes all our onshore and offshore personnel and subcontracted personnel. Offshore man hours are calculated based on a 12-hour working period per day.
Underlying G&A	underlying general and administrative (G&A) expenses excluding depreciation and amortisation, and exceptional costs.
Utilisation	the percentage of calendar days in a relevant period during which an SESV is under contract and in respect of which a customer is paying a day rate for the charter of the SESV.
Vessel operating expense	Cost of sales before depreciation, amortisation and impairment, refer to Note 29.
Warrants	As per the previous banking documents dated 31 March 2021, warrants vested on 2 January 2023 upon failure to raise US$ 50 million. These warrants will expire on 30 June 2025 (maturity date of the facilities).

Board of Directors

Mansour Al Alami
Executive Chairman

Lord Anthony St John of Bletso
Senior Independent non-executive Director

Charbel El Khoury
Non-executive Director

Jyrki Koskelo
Independent non-executive Director

Haifa Al Mubarak
Independent non-executive Director

Registered Office

Gulf Marine Services PLC
Masters House
107 Hammersmith Road
London
W14 0QH

Head Office

Gulf Marine Services
P.O. Box 46046
Abu Dhabi, UAE

T: +971 (2) 5028888
F: +971 (2) 5553421
E: IR@gmsplc.com

Company Secretary

Tony Hunter

Corporate Brokers

Panmure Liberum
Ropemaker Place,
Level 12
25 Ropemaker Street
London, EC2Y 9LY

Zeus Capital
125 Old Broad Street
London, EC2N 1AR

Legal Advisers
A&O Shearman
One Bishops Square
London E1 6AD

Auditors

KPMG
1 Stokes Place
St Stephen's Green
Dublin 2
D02 DE03

Public Relations Advisers

Celicourt Communications Limited
4 Bream's Buildings
London EC4A 1HP

Registrar

Equiniti
Aspect House
Spencer Road Lancing
West Sussex BN99 6DA

Gulf Marine Services
P.O. Box 46046 Abu Dhabi, UAE

T: +971 (2) 5028888
F: +971 (2) 5553421
E: IR@gmsplc.com

www.gmsplc.com

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Gulf Marine Services
P.O. Box 46046
Abu Dhabi, UAE
T: +971 (2) 5028888
F: +971 (2) 5553421
E: IR@gmsplc.com