

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

2021 ANNUAL REPORT AND NOTICE OF 2022 ANNUAL GENERAL MEETING

The Company advises that the 2021 Annual Report, the Notice of the 2022 Annual General Meeting and Proxy Form are being made available to Shareholders electronically today, 7 June 2022. The 2021 Annual Report (in pdf and ESEF compliant format), and the Notice of 2022 Annual General Meeting will be available shortly on the Company's website at www.gmsplc.com.

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

In accordance with Disclosure Guidance and Transparency Rule 6.3.5, additional information is set out in the appendices to this announcement. This information is extracted from the 2021 Annual Report. The appendices should be read in conjunction with the Company's Full Year 2021 Results Announcement, issued at 07:00 on 13 May 2022, RNS Number 4144L. This material is not a substitute for reading the full 2021 Annual Report.

Mailing of the 2021 Annual Report, Notice of the 2022 Annual General Meeting and Proxy Form to Shareholders will commence shortly.

The Company will hold its Annual General Meeting (the ‘AGM’) at 2:30p.m (UAE time) on Thursday, 30 June 2022. Further details are included in the Notice of the AGM. In light of the continued unpredictability caused by the COVID-19 Pandemic, as set out in the notice of AGM, the Board is planning to hold the AGM with the minimum attendance required to form a quorum. As such, the Board expects only one Director and another Company-designated shareholder representative to be in attendance at the venue for quorum purposes in order to conduct the business of the meeting Shareholders are therefore encouraged to cast their votes by proxy appointing the Chairman of the meeting as proxy to vote on their behalf.

In light of this, the AGM arrangements will be as set out below:

- The Company expects only one Director and another GMS designated Shareholder representative to be in attendance at the venue for quorum purposes to conduct the business of the meeting.
- No other Directors are expected to be present in person.
- There will be no update on trading or other management statements given at the AGM.
- Shareholders are encouraged to submit questions about the business of the AGM in advance of the meeting by email (cosec@gmsplc.com) and, in so far as relevant to the business of the meeting, questions will be responded to by email and taken into account as appropriate at the meeting itself.
- Voting at the AGM will be by way of a poll so that all the votes cast in advance by Shareholders appointing the Chairman of the Meeting as their proxy to vote on their behalf, can be taken into

account. Shareholders have one vote for each ordinary share held when voting on a poll and this procedure ensures that every vote can be cast.

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

Shareholders wishing to vote on any of the matters of business at the AGM are therefore strongly encouraged to:

1. Submit their votes (as soon as possible) in advance of the meeting and in any case, by 11.30 a.m. (UK time) on 28 June 2022 through the proxy and electronic voting facilities and to appoint the Chairman of the meeting as their proxy for this purpose.
2. Submit any questions in connection with the business of the meeting in advance to the Company Secretary at cosec@gmsplc.com.
3. Look out for any updates in connection with the arrangements for the AGM via RNS and on the Company's website.

Appointment of KPMG as external auditor of the Company.

At each meeting at which the Company's accounts are presented to its members, the Company is required to appoint an external auditor to serve until the next such meeting. The Board, on the recommendation of its Audit and Risk Committee, recommends the appointment of KPMG as external auditor, having been selected as such on the recommendation of the Audit and Risk Committee following the audit tender set out on page 51 in the Report and Accounts. KPMG will replace Deloitte LLP as the Company's auditor with effect from the end of this meeting. Deloitte LLP did not participate in the audit tender process, and subsequently notified the Company (as required under the Act), that they will not be seeking reappointment as the Company's auditors at the AGM. The notice from Deloitte LLP was accompanied by a statement that is required to be circulated to shareholders in accordance with section 520 of the Act, a copy of which will be circulated to shareholders.

Buy-Back and Cancellation of Deferred Shares:

Gulf Marine Services plc (the "Company") announces that it proposes to buy-back and cancel all of the Company's deferred shares of 8 pence each in issue (the "Deferred Shares").

The Company currently has 350,487,787 Deferred Shares in issue which shares were created in the share capital reorganization approved in the general meeting on 9 June 2021. The Deferred Shares are not admitted to trading, have no voting rights and, on a return of capital on a winding up, have no valuable economic rights. The Company is proposing to simplify its balance sheet by buying back and cancelling the Deferred Shares in accordance with the rights attaching to the Deferred Shares for an aggregate total consideration of £1.00. The shareholders are now being asked to approve the form of buy-back agreement in order to give effect to the purchase.

Appendix A

Statement of Directors' Responsibilities

The following responsibility statement is repeated here solely for the purpose of complying with DTR 6.3.5. This statement relates to and is extracted from page 79 of the 2021 Annual Report.

These responsibilities are for the full 2021 Annual Report and not the extracted information presented in this announcement or otherwise.

We confirm that to the best of our knowledge:

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

The Directors of the Company and their responsibilities as at 12 May 2022 are set out below:

Mansour Al Alami, Executive Chairman

Hassan Heikal, Deputy Chairman, Non-executive Director

Rashed Al Jarwan, Senior Independent Non-Executive Director

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

Charbel El Khoury, Non-Executive Director

Jyrki Koskelo, Independent Non-Executive Director

Appendix B

Principal risks and uncertainties

The following has been extracted from pages 29 to 33 of the 2021 Annual Report:

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

Risk	Mitigating factors and actions
1 Utilisation	
Utilisation levels may be reduced by the following root causes: <ul style="list-style-type: none"> • Increasing competition as other market participants increase the supply of SESVs in the markets in which GMS operates; • Sustained lower expenditure and investment by the Oil & Gas industry may result in lower levels of maintenance being performed on existing platforms and facilities and lower levels of construction and capital expenditure in respect of new installations; • Reliance on a limited number of NOCs, IOCs and international EPC clients; 	<p>Modification flexibility for clients GMS' vessels are built to be as flexible as possible allowing the Group to compete for a wide share of the market, helping it to maximise utilisation levels and charter day rates. The Group is capable of modifying assets to satisfy certain client requirements.</p> <p>Continuous communication with clients The Group maintains strong relationship with its clients through continuous communication and a history of providing safe and reliable services.</p>

<ul style="list-style-type: none"> • Fleet capabilities may no longer match with changing client requirements and applicable regulations. Failure to deliver the specifications and expected performance could lead to reputational damage and impact GMS' ability to win work; and • Reduced utilisation may materially adversely affect the business, financial condition and results of operations. 	<p>Business segment and geographical diversity The Group has established businesses outside its core Middle Eastern markets (particularly in the North Sea), and outside of oil and gas (renewables). It is continually reviewing opportunities looking to diversify its market footprint through increasing the client base.</p> <p>Vessel monitoring The Group has procedures in place, such as the Planned Maintenance System, to ensure that the vessels undergo regular preventative maintenance. The planned maintenance system has been upgraded to a more modern ERP, allowing overdue maintenance to be tracked and reported regularly. The Group's robust operating standards result in minimal downtime.</p>
<p>2 Inability to secure an appropriate capital structure – equity</p>	
<p>Under the terms of the latest bank deal signed on 31 March 2021, GMS were required to raise US\$ 25 million by 30 June 2021, which was subsequently achieved. The Group is required to raise a further US\$ 50 million of equity by 31 December 2022 or warrants will be issued entitling the Group's banks to acquire 132 million shares, 11.5% of the share capital of the Company for a total consideration of GBP £7.9 million, or 6.0p per share. PIK interest will also potentially accrue, only if leverage is above 4.0 times. Failure to meet the requirements of the Group's bank facilities may lead to an event of default. This would give lenders the right to accelerate repayment of the outstanding loans and then exercise security over the Group's assets.</p>	<p>Successful equity raise in June 2021 The Group successfully concluded a US\$ 27.8 million equity raise in June 2021, which prevented an event of default on its loan facilities, which in turn removed the material uncertainty as to the Group's ability to continue as a Going Concern that was reported in the full-year 2020 results.</p> <p>Focus on deleveraging The net leverage ratio has significantly reduced to 5.8 times compared to 8.0 times in 2020. With an improving outlook for the Group's business, and a continued focus on deleveraging, the Group aims, without relying on a second equity raise, to have net leverage ratio below 4.0 times by the end of 2022, in which case PIK interest would not accrue from 2023.</p> <p>Exploring all options The Group is exploring the various contractual options available per the current bank terms to take place by the end of 2022. As at 31 December 2021, neither the issuance of warrants nor equity raise were ruled out. The Board however consider the more likely outcome will be the issuance of warrants rather than the equity raise.</p>
<p>3 Mena Oil and Gas Market</p>	
<p>MENA NOCs have local content requirements as part of their tender processes designed to give</p>	<p>Local content requirements</p>

<p>preference to suppliers that commit to improving their local content and levels of spend and investment in-country. This may prevent GMS from winning contracts or lead to financial loss and/or a reduction in margins on existing contracts, which will ultimately impact cash flows and profitability.</p>	<p>GMS embraces local content requirements, with a long history of operating for NOCs in the Middle East and established offices in each of the MENA countries the Group operates. The Group actively manages its supply chain to ensure that they also are focused on maximising local content and, where necessary, will work with local partners in specific markets to ensure it positions itself in the best possible position to win work. Often during the tendering process companies with a higher audited local content score are given the offer of first refusal to price match any lower bids during tendering.</p> <p>Market knowledge and operational expertise The Group has a track record of established long-term relationships in the MENA region which provides an understanding of clients' requirements and operating standards.</p>
<p>4 Operations: inability to deliver safe and reliable operations</p>	
<p>The Group may suffer commercial and reputational damage from an environmental or safety incident involving employees, visitors or contractors.</p> <p>Inadequate preparation for emergency situations, such as pandemics or geopolitical instability, could have a negative impact on the business.</p> <p>Insufficient insurance coverage may lead to financial loss.</p>	<p>Safety awareness Safety and reliability are top priorities and are underpinned by the HSEQ management system and a strong safety-focused culture. Management ensures appropriate safety practices and procedures; disaster recovery plans and insurance coverage of all commercial contracts are in place.</p> <p>Training and compliance Our employees undergo continuous training on operational best practices.</p> <p>Scheduled maintenance The Group follows regular maintenance schedules on its vessels and the condition of the vessels is consistently monitored.</p> <p>Business continuity plan The Group has in place a business continuity management plan which it regularly maintains.</p> <p>Insurance The Group regularly liaises with insurance brokers to ensure sufficient coverage is in place.</p>
<p>5 Liquidity and covenant compliance</p>	
<p>The business is exposed to short-term liquidity management risks arising from potential increases in interest rates, which further increase debt service obligations, and unexpected increases in working capital (particularly through inability to collect</p>	<p>Liquidity management The Group continues to manage liquidity carefully through focusing on receivables collections and managing the timing of supplier payments.</p>

<p>receivables).</p> <p>In addition, the Group's bank facilities are subject to covenant tests based on the financial performance. Compliance with these covenants depends on GMS' ability to secure ongoing work for the fleet. If GMS is unable to secure ongoing work, its financial performance and position may be materially adversely affected and it may not comply with the covenants. In such a case, unless the banks agree otherwise, this could lead to an event of default. This would give lenders the right to accelerate repayment of the outstanding loans, and then exercise security over the Group's assets.</p>	<p>Cost management The Group has implemented a comprehensive cost reduction programme, removing over US\$ 20 million of annualised costs since inception of the programme in 2019, in order to generate higher EBITDA and increased cash to service and repay debt. Continual review of costs and search for further efficiencies is ongoing.</p> <p>Minimising capital expenditure The Group is currently focused on restricting capital expenditure to essential spending only, to ensure the safe and reliable operations of its vessels.</p> <p>Covenant compliance The management team and Board regularly examine future covenant compliance based on the latest forecasts and take necessary actions to avoid any potential where a future breach of covenant is forecast.</p>
<p>6 People</p>	
<p>Attracting, retaining, recruiting and developing a skilled workforce is key.</p> <p>Losing skills or failing to attract new talent to the business has the potential to undermine performance.</p> <p>Inadequate succession planning and lack of identification of critical roles may result in disruption if the related personnel leave the Group.</p>	<p>Communication and engagement Communication has remained a key practice of management, especially during the COVID-19 pandemic. Throughout the pandemic, the focus for employees has continued to be on safety and wellbeing through working remotely, regular testing and enhanced cleaning procedures.</p> <p>In the current year, Rashed Al Jarwan was appointed as the new Workforce Engagement Director, explicitly tasked with monitoring the level of engagement and alignment across the organisation. A hybrid town hall style meeting was conducted in the last quarter of 2021.</p> <p>Remuneration policy The Short-Term Incentive Plan (STIP) is based on a single Business Scorecard to ensure all staff are incentivised around delivering a single set of common goals.</p> <p>Equal opportunities GMS is engaged in fair and transparent recruitment practices. It has a zero-tolerance policy towards discrimination and provides equal opportunities for all employees.</p> <p>Resource planning The Group has identified all critical roles in place and have adopted processes to ensure the smooth transition in case of changes in personnel.</p>

	Refer to the Governance Report on pages 40 to 43 for details of changes at the Board level and assessment of what skills the new Board brings to GMS.
7 Legal, economic, and political conditions	
<p>Political instability in the regions in which GMS operates (and recruit from) may adversely affect its operations.</p> <p>The business is exposed to sudden changes in tax compliance requirements or changes in legislation which could lead to fines, financial loss or adversely impact liquidity.</p> <p>Sudden changes in inflation in regions GMS operates may adversely affect its operations.</p>	<p>Emergency response planning and insurance For all our major assets and areas of operation, the Group maintains emergency preparedness plans. It regularly reviews the insurance cover over the Group's assets to ensure adequate cover is in place.</p> <p>Workforce planning and monitoring Workforce planning and demographic analysis is completed in order to increase diversity.</p> <p>Tax advisors The Group engage with reputable tax advisors who monitor the impacts of changes to tax legislation across the regions GMS operates in.</p>
8 Compliance and regulation	
<p>Non-compliance with anti-bribery and corruption regulations could damage stakeholder relations and lead to reputational and financial loss.</p> <p>GMS' operations are subject to international conventions on – and a variety of complex federal and local laws, regulations and guidelines relating to – health, safety and the protection of the environment. Compliance with these health, safety and environmental conventions, laws and regulations has become increasingly expensive, complex and stringent. Failure to appropriately identify and comply with laws and regulations, and other regulatory statutes in new and existing markets, could lead to regulatory investigations. It may result in GMS failing to win a new contract, the early termination of an existing contract or exclusion from future contracts.</p>	<p>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. Employees are required to undergo in-house training on anti-corruption. All suppliers are pre-notified of anti-bribery and corruption policies and required to confirm compliance with these policies.</p> <p>Regulations A central database is maintained that documents all of GMS' policies and procedures which comply with laws and regulations within the countries in which we operate. On specialist topics, the Group makes use of external advisers, where appropriate. A dedicated Company Secretary is in place to help monitor compliance, in particular with regard to UK legal and corporate governance obligations.</p> <p>External review The internal audit function helps ensure compliance with GMS policies, procedures, internal controls and business processes. The Group's vessels are also audited by external bodies such as the American Bureau of Shipping (ABS).</p>
9 COVID-19 pandemic	
The COVID-19 pandemic has presented a number	Hygiene measures

<p>of challenges.</p> <p>Measures introduced in jurisdictions where GMS operates include closing of international borders and strict quarantine requirements for crew, which could lead to further increased cost. These measures can change at short notice, maintaining the risk that offshore staff will be unable to crew change.</p> <p>There is a health risk to staff, both onshore and offshore, who come into contact with confirmed cases.</p> <p>Continued COVID-19 restrictions on travel may impact GMS' ability to allow third parties to travel to its vessels to inspect, maintain or certify equipment onboard, which increases the risk of equipment failure and being put off hire.</p> <p>Existing or future contracts are delayed by our clients as a result of interruptions in their supply chains resulting in them being unable to carry out work as planned.</p>	<p>GMS has implemented extensive hygiene control and prevention measures across the fleet and onshore offices. Clients have adopted similar measures, in many cases in compliance with strict government directives in force across the countries in which the Group operates.</p> <p>COVID-19 vaccinations COVID-19 vaccines are available in the majority of countries where GMS operates and have been made available to staff, both onshore and offshore. High vaccination rates across the Company have significantly reduced the health risk to employees from catching COVID-19.</p> <p>Offshore rotations Crew rotations have been extended as a temporary measure to minimise impact of quarantine requirements of some clients.</p> <p>Vessel maintenance The Group has in place a strict management of change process, which ensures the risk management process is in place is appropriate, where it has been unable to have equipment tested, inspected or certified offshore, due to the availability of suitably qualified personnel offshore.</p> <p>Contract delays Through strong relationships with its client base, GMS is in regular communication around any operational delays that are expected that could impact the Group. In such circumstances and with client agreement, GMS will seek other opportunities to utilise the fleet and minimise the financial impact on all parties.</p> <p>Recovery of COVID-19-related costs GMS are in dialogue and have strong relationships with its clients to pursue opportunities to reclaim quarantine and other COVID-19-related expenses.</p>
<p>10 Cyber-crime – security and integrity</p>	
<p>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.</p>	<p>Cybersecurity monitoring and defence GMS operates multi-layer cyber-security defences which are monitored for effectiveness to ensure they remain up to date.</p> <p>GMS engages with third party specialists to provide security services.</p>

<p>11 Climate change</p>	
<p>Climate change poses both transition and physical risks to the Group.</p> <p>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.</p> <p>Physical risks include rising temperatures, which could further impact working hours, and rising sea levels, which could affect where our vessels can operate. The physical risks also interact with Principal Risk 4 – Our ability to deliver safe and reliable operations.</p>	<p>Legal & policy monitoring The Group carefully monitors legislative developments to ensure compliance with all relevant laws both in the UK and the Middle East. The TCFD disclosure in this report explains our assessment and response to climate-related risks to be transparent with our stakeholders.</p> <p>Physical infrastructure The Group monitors weather patterns to ensure conditions are suitable for our offshore employees and vessels. Onshore buildings are designed to withstand the heat in the Middle East.</p> <p>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. Furthermore, we research lower carbon alternatives, including R407 refrigerants and lube oil filtration systems, to reduce our carbon footprint.</p> <p>In 2022, we will begin calculating our Scope 3 emissions and setting targets for the long-term reduction of our carbon emissions.</p> <p>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.</p> <p>We are aware that we may need to consider changing sea levels and environmental legislation when replacing vessels that are being retired in the long term.</p>

– Ends –

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