23 September 2022

Gulf Marine Services PLC

('Gulf Marine Services', 'GMS', 'the Company' or 'the Group')

Interim results for the six months ended 30 June 2022

GMS, a leading provider of advanced self-propelled, self-elevating support vessels serving the offshore oil, gas and renewables industries, is pleased to announce its Interim Results for the six months ended 30 June 2022 (H1 2022).

Overview

	H1 2022	H1 2021
	US$ m	US$ m
Revenue	66.4	51.4
Gross profit	27.4	16.4
EBITDA[1]	37.3	26.5
Profit for the period after tax	13.1	2.0

H1 Highlights

- EBITDA guidance for 2022 remains at US$ 70 - 80 million
  - forecasted utilisation of 86% for H2 which supports the 2022 EBITDA guidance
- H1 2022 revenue increased by 29% to US$ 66.4 million (H1 2021: US$ 51.4 million), driven by
  - increased utilisation for H1 2022 to 89% (H1 2021: 77%) with notable improvements in E-Class vessels at 87% (H1 2021: 57%)
  - increased H1 2022 average day rates to $27.2k (H1 2021: US$ 25.5k)
- H1 2022 EBITDA increased to US$ 37.3 million (H1 2021: US$ 26.5 million) due to an increase in revenue and a continued focus on costs savings
- H1 2022 Net profit after tax was US$ 13.1 million (H1 2021 US$ 2.0 million) mainly driven by an increase in revenue. Gross profit margin improved to 41% (H1 2021: 32%)
- Net debt[1] reduced by US$ 29.9 million to US$ 341.4 million (31 December 2021: US$ 371.3 million) as the Group continues its focus on deleveraging

Outlook

- As demand in the market continues to grow, the Group anticipates improvements in day rates and utilisation, albeit at a slower pace than originally envisaged
- Secured backlog was US$ 163.3 million at 30 June 2022 (30 June 2021: US$ 215.4 million), which reflects the unwinding of long term contracts commenced prior to 2021 and partially offset by additional contract awards announced over the last 12 months
- Contract awards announced in H1 2022 have a combined total charter period of 2.6 years (H1 2021: 3.4 years), the Group is currently working on new potential contracts to improve the backlog

[1] This represents an Adjusted Performance Measure (APM) as defined in the Glossary which is included in Note 23 to the interim consolidated Financial Statements.

Mansour Al Alami, Executive Chairman, GMS said:

"I am pleased to report GMS operational results for first half of the year which provides us a solid platform for achieving our full year EBITDA guidance. The first half performance reflected higher day rates, improved utilisation and efforts made on continuous cost savings. We will realise the benefits of improved day rates on new contract awards announced during H1 2022. As the Middle Eastern market continues to increase production, we expect an increase in demand for our sector, which in turn will lead to an increase in day rates and utilisation over time."

Alex Aclimandos

Chief Financial Officer

Gulf Marine Services PLC

23 September 2022

Enquiries:

Gulf Marine Services PLC Mansour Al Alami Executive Chairman	Tel: +44 (0)20 7603 1515
Celicourt Communications Mark Antelme Philip Dennis	Tel: +44 (0) 208 434 2643

Notes to Editors:

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

The GMS fleet of 13 SESVs is amongst the youngest in the industry, with an average age of eleven years. The vessels support GMS's clients in a broad range of offshore oil and gas platform refurbishment and maintenance activities, well intervention work and offshore wind turbine maintenance work (which are opex-led activities), as well as offshore oil and gas platform installation and decommissioning and offshore wind turbine installation (which are capex-led activities).

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

Gulf Marine Services PLC's Legal Entity Identifier is 213800IGS2QE89SAJF77
www.gmsplc.com

Disclaimer
The content of the Gulf Marine Services PLC website should not be considered to form a part of or be incorporated into this announcement.

Chairman's Review

Group performance

Revenue for the period increased to US$ 66.4 million (H1 2021: US$ 51.4 million), mainly driven by an increase in day rates to US$ 27.2k (H1 2021: US$ 25.5k) and by an increase in utilisation to 89% (H1 2021: 77%).

Vessel operating expenses increased to US$ 23.5 million (H1 2021: US$ 20.2 million), driven by an increase in rechargeable expenses relating to catering services coupled with increased utilisation during the period. General and administrative expenses also increased to US$ 5.8 million (H1 2021:US$ 4.9 million), reflecting higher professional fees, and other one-time expenses.

H1 2022 EBITDA stood at US$ 37.3 million (H1 2021: US$ 26.5 million), which was driven by an increase in utilisation, improved day rates and continuous focus on cost savings.

During H1 2022, two new contract awards were announced by to the Group for K-Class vessels, where average day rates were 32% higher than their previous contracts.

GMS reported a profit after tax during H1 2022 of US$ 13.1 million (H1 2021: US$ 2.0 million). This is mainly a result of the increased EBIDTA coupled with reduced finance expenses.

Capital structure and liquidity

The net leverage ratio has reduced to 4.56 times (31 December 2021: 5.79 times) due to a reduction in the net debt to US$ 341.4 million (31 December 2021: US$ 371.3 million) combined with improved EBITDA. The Group remains dedicated to its deleveraging journey.

As described in the 2021 annual report, the Group's current bank terms are to raise US$ 50 million equity before the end of the year or, if failing to do so, to issue of 87.6 million warrants giving potential rights to 134 million shares at a specific price if exercised. The position as at 30 June 2022 remains the same as that described in the 2021 annual report and neither of the two contractual scenarios have been ruled out. The Board considers the likelihood of issuance of warrants to be more likely than not.

Outlook

The Group anticipates seeing continued improvements in day rate and utilisation levels however this is expected to be more gradual over time. Secured backlog is US$ 163.3 million as at 30 June 2022 (30 June 2021: US$ 215.4 million). The Group is currently working on a number of projects that will have a favourable impact on its backlog.

We are pleased to be able to reconfirm our 2022 EBITDA guidance of US$ 70-80 million.

Mansour Al Alami
Executive Chairman
23 September 2022

Financial Review

	H1 2022	H1 2021
	US$ m	US$ m
Revenue	66.4	51.4
Gross profit	27.4	16.4
EBITDA[1]	37.3	26.5
Profit for the period after tax	13.1	2.0

Summary

Revenue increased to US$ 66.4 million, (H1 2021: US$ 51.4 million), mainly driven by an increase in both utilisation and average day rates.

EBITDA increased by 41% to US$ 37.3 million, (H1 2021: US$ 26.5 million), with the EBITDA margin increasing to 56% (H1 2021: 52%) mainly driven by the increase in utilisation, day rates and a continuous focus on costs savings.

Net profit has continued its positive trend, increasing to US$ 13.1 million (H1 2021: US$ 2.0 million). This was mainly achieved by the increased EBITDA and EBITDA margin partially offset by increase in tax expense provision due to increased activity in taxable jurisdictions.

Net debt[1] has reduced by US$ 29.9 million to US$ 341.4 million (31 December 2021: US$ 371.3 million) as the Group continues deleveraging.

Improved trading performance has translated to a significant increase in cash generated for operating activities by 91% to US$ 42.2 million (H1 2021: US$ 22.1 million).

[1] This represents an Adjusted Performance Measure (APM) as defined in the Glossary which is included in Note 23 to the interim consolidated Financial Statements

Revenue and segmental profit

The table below shows the contribution to revenue and segment gross profit made by each vessel class during the period.

(US$'000) Vessel Class	Revenue		Segmental gross profit	
	H2 2022	**H1 2021**	**H2 2022**	**H1 2021**
E-Class vessels	26,751	15,000	17,355	8,736
S-Class vessels	17,037	16,168	11,890	10,634
K-Class vessels	22,609	20,225	13,708	11,822
Total	**66,397**	**51,393**	**42,953**	**31,192**

Revenue in H1 2022 increased by 29% to US$ 66.4 million (H1 2021: US$ 51.4 million) following an increase in overall utilisation to 89% (H1 2021: 77%). Utilisation increased across all three vessel classes with a notable increase in E-Class vessels achieving 87% in the period (H1 2021: 57%). Both K- and S- Class vessels utilisation also increased to 85% and 99% respectively (H1 2021: 82% and 95% respectively). S-Class utilisation increased to 99% (H1 2021: 95%) as a result of certain vessels being off hire in H1 2021 for drydocking activities. K-Class utilisation marginally increased to 85% (H1 2021: 82%) due to off-hire time for scheduled maintenance in H1 2021.

Average charter day rates also saw an increase by 7% in the period to US$ 27.2k (H1 2021: US$ 25.5k). This increase is mainly driven by a mix factor resulting from more expensive vessels having higher utilization and as such weighing more on the average.

Cost of sales and general and administrative expenses

Cost of sales increased by US$ 4.0 million to US$ 39.0 million (H1 2021: US$ 35 million) which reflected an increase in rechargeable expenses relating to catering services as well as a higher utilisation in H1 2022.

General and Administration expenses increased by 18% to US$ 5.8 million (H1 2021: US$ 4.9 million) reflecting higher professional fees, and other one-time expenses.

Other costs

Finance expenses in the period were US$ 7.3 million (H1 2021: US$ 8.0 million). Interest costs on borrowings reduced to US$ 6.8 million (H1 2021 US$ 11.4 million), mainly as a result of the refinancing in H1 2021 which impacted the Group's effective interest rate. Higher interest cost in the comparative period was partially offset with a net gain of US$ 3.1 million on revision of debt facility, comprising of a fair value gain of US$ 6.3 million offset by the costs to acquire the new loan facility which amounted to US$ 3.2 million.

A net foreign exchange gain of US$ 0.2 million in H1 2022 (H1 2021: loss of US$ 0.7 million) arose from favourable movements in exchange rates of the Pound Sterling against the US Dollar.

Tax expense increased to US$ 1.5 million (H1 2021: US$ 0.9 million) mainly due to an increase in activity in taxable jurisdictions combined with a higher withholding tax charge.

Cash flow and liquidity

The Group's net cash generated from operating activities increased to US$ 42.2 million (H1 2021: US$ 22.1 million) which reflected a strong operational performance during the period. The net cash outflow from investing activities for H1 2022 decreased to US$ 3.7 million (H1 2021: US$ 8.9 million) representing a higher capital expenditure incurred in 2021 to upgrade the vessels entering new contracts.

The Group's net cash outflow from financing activities during the period increased to US$ 36.7 million (H1 2021: US$ 7.8 million). The Group made debt repayments of US$ 28 million (H1 2021: US$ 24.5 million) which was comprised of US$ 15 million payments towards the working capital facility and US$ 13 million towards its term loans. The comparative period reflected cash inflows of US$ 27.8 million in relation to proceeds from the issuance of shares, which was partially offset by share issue and refinancing costs totalling US$ 4.6 million.

Balance sheet

Total current assets at 30 June 2022 were US$ 53.6 million (31 December 2021: US$ 57.1 million). The decline reflects a better management of trade receivable balance resulting in reduction of US$ 6.6 million, which is partially offset by payments made towards our long-term debt and an increase to cash and cash equivalents of US$ 1.8 million. Total current liabilities increased to US$ 59.3 million (31 December 2021: US$ 53.0 million) primarily as a result of an increase in accrued operational expenses through increased utilisation. Further, the Group's embedded derivative of US$ 1.4 was reclassified to current liabilities as warrants are expected to be issued on 2 January 2023. While the current assets are lower than current liabilities, the group expects to honour all its liabilities. For further details please refer to the Going Concern disclosure within Note 2 of the interim condensed consolidated financial statements.

Total non-current assets at 30 June 2022 were US$ 607.1 million (31 December 2021: US$ 617.2 million). The decline is due to depreciation and amortisation charged on non-current assets of US$ 15.8 million. This was offset by capital expenditure of US$ 5.5 million for class surveys and upgrades to the vessels. Total non-current liabilities reduced to US$ 326.4 million (31 December 2021: US$ 358.7 million) primarily due to the repayment of US$ 28 million (H1 2021: US$ 24.5 million) towards bank borrowings.

During H1 2022, the shareholders approved an agreement to buy back and cancel all the 350,487,787 Deferred shares that had arisen from the capital reorganization in 2021, for the aggregate consideration of £1.

On 30 June 2022, the buyback was completed, and the shares were subsequently cancelled. Following the cancellation of the Deferred shares, a transfer of $46.4 million was made from Share capital – Deferred to a Capital redemption reserve within the equity section of the statement of financial position.

Total equity increased to US$ 275 million (31 December 2021: US$ 262.7 million), largely attributable to a movement in retained earnings during the period.

Going concern

Management have assessed the Group's financial position for a period of not less than 12 months from the date of approval of the half year results and have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future.

The Group's forecasts, having taken into consideration reasonable risks and downsides, indicate that its bank facilities along with order book of contracted work and a strong pipeline of near-term opportunities for additional work will provide sufficient liquidity for its requirements for the foreseeable future and the Group will remain in compliance with the covenants under the Group's banking facilities throughout the period until the end of September 2023. Accordingly, these consolidated interim financial statements for the Group have been prepared on a going concern basis. For further details please refer to the Going Concern disclosure within Note 2 of the interim condensed consolidated financial statements.

Related party transactions

During the period there were related party transactions with the minority shareholder of GMS Saudi Arabia Ltd, a subsidiary of the Group for the provision of safety equipment on some of our vessels and office space totalling US$ 0.3 million (H1 2021: US$ 0.3 million) and with National Catering Company Limited WLL, an affiliate of a significant shareholder of the Company, for Catering services totalling US$ 0.3 million (H1 2021: Nil).

Risks and uncertainties

There are a number of risks and uncertainties which could have a material impact on the Group's performance over the remaining six months of 2022. The Directors do not consider that the principal risks and uncertainties have materially changed since the last publication of the Annual Report for the year ended 31 December 2021. A detailed explanation of the risks summarised below, and how the Group seeks to mitigate the risks, can be found on pages 28 to 33 of the 2021 annual report which is available at www.gmsuae.com.

- Utilisation and Local content requirement - The Group relies on a limited number of blue-chip clients that may expose it to losses if these relationships breakdown. Middle East and North Africa (MENA) NOCs have introduced local content requirements as part of their tender processes designed to giving preference to suppliers that commit to improving their local content and levels of spend which 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.
- Inability to secure an appropriate capital structure – A continuing low share price may prevent GMS from raising sufficient levels of equity to recapitalise the business.
- Operations: inability to deliver safe and reliable operations – The Group may suffer commercial and reputational damage from an environmental or safety incident involving employees, visitors or contractors. Inadequate preparation for emergency situations, such as pandemics or geopolitical instability, could have a negative impact on the business. Insufficient insurance coverage may lead to financial loss.
- Liquidity and covenant compliance - 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. 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 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.
- People - Losing skilled workforce or failing to attract new talent into our business has the potential to undermine performance.
- Legal, economic and political conditions - Political instability in the regions in which GMS operates (and recruit from) may adversely affect its operations. 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. Sudden changes in inflation in regions GMS operates may adversely affect its operations.
- Compliance and Regulation - 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.

- COVID-19 pandemic – Although the impact of the COVID-19 pandemic appears to be subsiding, it may still pose a number of operational challenges to the Group such as increased cost due to strict quarantine requirements for crew, health risk to staff and delay in existing or future contracts as a result of interruptions in their supply chains.
- Cyber-crime – security and integrity - Phishing attempts result in inappropriate transactions, data leakage and financial loss. The Group is at risk of loss and reputational damage through financial cyber-crime.
- Climate change - Climate change poses both transition and physical risks to the Group. Transition risks come from the decarbonisation of the global economy which 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.

RESPONSIBILITY STATEMENT

Financial information for the period ended 30 June 2022.

We confirm to the best of our knowledge:

a) the condensed set of financial statements, which has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of Gulf Marine Services plc and its undertakings, included in the consolidation as a whole as required by DTR 4.2.4R;
b) the interim management report includes a fair review of the information required by DTR 4.2.7R; and
c) the interim management report includes a fair review of the information required by DTR 4.2.8R.

By order of the Board

Mansour Al Alami
Executive Chairman
23 September 2022

Alex Aclimandos
Chief Financial Officer
23 September 2022

INDEPENDENT REVIEW REPORT TO GULF MARINE SERVICES PLC (THE "ENTITY")

Conclusion

We have been engaged by the Entity to review the Entity's condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the condensed consolidated statement of comprehensive income, the condensed consolidated balance sheet, the condensed consolidated statement of changes in equity, the condensed consolidated statement of cash flows, a summary of significant accounting policies and other explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34") as contained in the UK adopted International Accounting Standards and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the* Entity ("ISRE (UK) 2410") issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We read the other information contained in the half-yearly financial report to identify material inconsistencies with the information in the condensed set of consolidated financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the review. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Entity to cease to continue as a going concern, and the above conclusions are not a guarantee that the Entity will continue in operation.

INDEPENDENT REVIEW REPORT TO GULF MARINE SERVICES PLC (THE "ENTITY") (*continued*)

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

The directors are responsible for preparing the condensed set of consolidated financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

As disclosed in note 3, the annual financial statements of the Entity for the year ended 31 December 2021 are prepared in accordance with UK-adopted international accounting standards.

In preparing the condensed set of consolidated financial statements, the directors are responsible for assessing the Entity'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 the directors either intend to liquidate the Entity or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Entity a conclusion on the condensed set of consolidated financial statements in the half-yearly financial report based on our review.

Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

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

This report is made solely to the Entity in accordance with the terms of our engagement to assist the Entity in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Entity those matters we are required to state to it in this 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 Entity for our review work, for this report, or for the conclusions we have reached.

KPMG 23 September 2022

Chartered Accountants

1 Harbourmaster Place,

IFSC,

Dublin 1,

Ireland.

GULF MARINE SERVICES PLC
Condensed Consolidated Statement of Comprehensive Income
for the period ended 30 June 2022

	Notes	Six months period ended 30 June 2022 US$'000 (Unaudited)	Six months period ended 30 June 2021 US$'000 (Unaudited)	Year ended 31 December 2021 US$'000 (Audited)
Revenue	3,7	**66,397**	51,393	115,127
Cost of sales		**(39,021)**	(35,007)	(69,460)
Reversal of impairment	9	**-**	-	14,959
Gross profit		**27,376**	16,386	60,626
General and administrative expenses		**(5,819)**	(4,883)	(12,272)
Operating profit		**21,557**	11,503	48,354
Finance income		**8**	6	9
Finance expenses	8	**(7,290)**	(7,986)	(14,463)
Foreign exchange gain/(loss), net		**240**	(698)	(1,002)
Other income		**66**	20	28
Profit for the period/year before taxation		**14,581**	2,845	32,926
Taxation charge for the period/year	5	**(1,471)**	(851)	(1,707)
Profit for the period/year		**13,110**	1,994	31,219
Other comprehensive income/(expense) – items that may be reclassified to profit or loss:				
Net hedging gain reclassified to the profit or loss		**140**	139	278
Exchange differences on translating foreign operations		**(1,031)**	89	(91)
Total comprehensive income for the year		**12,219**	2,222	31,406
Profit attributable to:				
Owners of the Company		**13,097**	1,882	31,001
Non-controlling interests		**13**	112	218
		13,110	1,994	31,219
Total comprehensive income attributable to:				
Owners of the Company		**12,206**	2,110	31,188
Non-controlling interests		**13**	112	218
		12,219	2,222	31,406
Earnings per share				
Basic (cents per share)	6	**1.29**	0.52	4.48
Diluted (cents per share)	6	**1.28**	0.51	4.46

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

The accompanying notes form an integral part of these condensed consolidated financial statements.

GULF MARINE SERVICES PLC
Condensed Consolidated Balance Sheet
as at 30 June 2022

	Notes	30 June 2022 US$'000	31 December 2021 US$'000
ASSETS			
Non-current assets			
Property and equipment	9	**595,704**	605,526
Dry docking expenditure	10	**9,526**	8,799
Right-of-use assets		**1,824**	2,884
Total non-current assets		**607,054**	617,209
Current assets			
Trade receivables	11	**35,440**	41,948
Prepayments, advances and other receivables	12	**8,012**	6,969
Derivative financial instruments	16	**70**	-
Cash and cash equivalents		**10,057**	8,271
Total current assets		**53,579**	57,188
Total assets		**660,633**	674,397
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital – Ordinary	13	**30,117**	30,117
Share capital – Deferred	13	**-**	46,445
Capital redemption reserve	14	**46,445**	-
Share premium account		**99,105**	99,105
Group restructuring reserve		**(49,710)**	(49,710)
Restricted reserve		**272**	272
Share based payment reserve		**3,691**	3,648
Capital contribution		**9,177**	9,177
Cash flow hedge reserve		**(418)**	(558)
Translation reserve		**(3,117)**	(2,086)
Retained earnings		**137,483**	124,386
Attributable to the Owners of the Company		**273,045**	260,796
Non-controlling interests		**1,925**	1,912
Total equity		**274,970**	262,708
Current liabilities			
Trade and other payables		**22,008**	19,455
Current tax liability		**6,701**	5,669
Bank borrowings	15	**28,048**	26,097
Lease liabilities		**1,126**	1,817
Derivative financial instruments	16	**1,384**	-
Total current liabilities		**59,267**	53,038
Non-current liabilities			
Provision for employees' end of service benefits		**2,251**	2,322
Bank borrowings	15	**323,429**	353,429
Lease liabilities		**716**	1,107
Derivative financial instruments	16	**-**	1,793
Total non-current liabilities		**326,396**	358,651
Total liabilities		**385,663**	411,689
Total equity and liabilities		**660,633**	674,397

The accompanying notes form an integral part of these condensed consolidated financial statements.

GULF MARINE SERVICES PLC

Condensed Consolidated Statement of Changes in Equity

For the period ended 30 June 2022	Share capital – Ordinary US$'000	Share capital – Deferred US$'000	Capital redemption Reserve US$'000	Share premium account US$'000	Group restructuring reserve US$'000	Restricted reserve US$'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 interests US$'000	Total equity US$'000
As at 1 January 2022	**30,117**	**46,445**	**-**	**99,105**	**(49,710)**	**272**	**3,648**	**9,177**	**(558)**	**(2,086)**	**124,386**	**260,796**	**1,912**	**262,708**
Profit for the period	-	-	-	-	-	-	-	-	-	-	13,097	13,097	13	13,110
Other comprehensive income for the period														
Net hedging gain on interest hedges reclassified to the profit or loss	-	-	-	-	-	-	-	-	140	-	-	140	-	140
Exchange differences on foreign operations	-	-	-	-	-	-	-	-	-	(1,031)	-	(1,031)	-	(1,031)
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**140**	**(1,031)**	**13,097**	**12,206**	**13**	**12,219**
Transactions with owners of the Company														
Share based payment charge	-	-	-	-	-	-	43	-	-	-	-	43	-	43
Buyback and cancellation of deferred shares *(Note 13, 14)*	-	(46,445)	46,445	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners of the Company	**-**	**(46,445)**	**46,445**	**-**	**-**	**-**	**43**	**-**	**-**	**-**	**-**	**43**	**-**	**43**
As at 30 June 2022	**30,117**	**-**	**46,445**	**99,105**	**(49,710)**	**272**	**3,691**	**9,177**	**(418)**	**(3,117)**	**137,483**	**273,045**	**1,925**	**274,970**
As at 1 January 2021	**58,057**	**-**	**-**	**93,080**	**(49,710)**	**272**	**3,740**	**9,177**	**(836)**	**(1,995)**	**93,385**	**205,170**	**1,694**	**206,864**
Profit for the period	-	-	-	-	-	-	-	-	-	-	1,882	1,882	112	1,994
Other comprehensive income for the period														
Net hedging gain on interest hedges reclassified to the profit or loss	-	-	-	-	-	-	-	-	139	-	-	139	-	139
Exchange differences on foreign operations	-	-	-	-	-	-	-	-	-	89	-	89	-	89
Total comprehensive income for the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**139**	**89**	**1,882**	**2,110**	**112**	**2,222**
Transactions with owners of the Company														
Capital reorganisation *(Note 13)*	(46,445)	46,445	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital *(Note 13)*	18,505	-	-	9,253	-	-	-	-	-	-	-	27,758	-	27,758
Share issue costs *(Note 13)*	-	-	-	(3,228)	-	-	-	-	-	-	-	(3,228)	-	(3,228)
Share based payment charge	-	-	-	-	-	-	(53)	-	-	-	-	(53)	-	(53)
Cash settlement of Long-Term Incentive Plans (LTIPs)	-	-	-	-	-	-	(74)	-	-	-	-	(74)	-	(74)
Total transactions with owners of the Company	**(27,940)**	**46,445**	**-**	**6,025**	**-**	**-**	**(127)**	**-**	**-**	**-**	**-**	**24,403**	**-**	**24,403**
As at 30 June 2021	**30,117**	**46,445**	**-**	**99,105**	**(49,710)**	**272**	**3,613**	**9,177**	**(697)**	**(1,906)**	**95,267**	**231,683**	**1,806**	**233,489**

The accompanying notes form an integral part of these condensed consolidated financial statements.

GULF MARINE SERVICES PLC
Condensed Consolidated Statement of Cash Flows
for the period ended 30 June 2022

	Six-month period ended 30 June		Year ended 31 December
	2022	2021	2021
	US$'000	US$'000	US$'000
Net cash generated from operating activities *(Note 17)*	**42,205**	22,114	40,511
Investing activities			
Payments for additions of property and equipment	**(1,885)**	(6,130)	(7,898)
Dry docking expenditure paid	**(1,831)**	(2,740)	(3,609)
Interest received	**8**	6	9
Net cash used in investing activities	**(3,708)**	(8,864)	(11,498)
Financing activities			
Bank borrowings received	**-**	2,000	2,000
Repayment of bank borrowings	**(28,049)**	(24,492)	(30,983)
Proceeds from issue of shares *(Note 13)*	**-**	27,758	27,758
Share issue costs paid *(Note 13)*	**-**	(1,431)	(3,228)
Principal elements of lease payments	**(1,174)**	(1,087)	(2,342)
Cash settlement of LTIPs	**-**	(74)	-
Payment of costs associated with borrowings	**(148)**	(3,170)	(3,615)
Settlement of derivatives *(Note 16)*	**(369)**	(537)	(1,033)
Interest paid	**(6,971)**	(6,752)	(13,097)
Net cash used in financing activities	**(36,711)**	(7,785)	(24,540)
Net increase in cash and cash equivalents	**1,786**	5,465	4,473
Cash and cash equivalents at the beginning of the period/year	**8,271**	3,798	3,798
Cash and cash equivalents at the end of the period/year	**10,057**	9,263	8,271
Non-cash transactions			
Recognition of deferred shares	**-**	46,445	46,445
Transfer of deferred shares to capital redemption reserve	**46,445**	-	-
Recognition of right-of-use asset	**92**	419	1,955
Net movement for capital accruals in relation to additions of property and equipment	**136**	11	408
Net movement of drydock accruals	**1,664**	426	302

The accompanying notes form an integral part of these condensed consolidated financial statements.

1 Corporate information

Gulf Marine Services PLC ("GMS" or the "Company") is a Company which is registered and was incorporated in England and Wales on 24 January 2014. The Company is a public limited liability company with operations mainly in the Middle East, North Africa and Europe. The address of the registered office of the Company is 107 Hammersmith Road, London, W14 0QH. The registered number of the Company is 08860816.

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 Group is engaged in providing self-propelled, self-elevating support vessels (SESVs) that present 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 Middle East and other regions.

The condensed consolidated financial statements of the Group for the six-month period ended 30 June 2022 were authorised for issue on 23 September 2022. The condensed consolidated financial statements do not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. The condensed consolidated financial statements have been reviewed, not audited.

The Group issued statutory financial statements for the year ended 31 December 2021, which were prepared in accordance with UK adopted International Accounting Standards in conformity with requirements of the Companies Act 2006. Those financial statements were approved by the Board of Directors on 12 May 2022. The report of the auditor on those accounts did not contain any statement under section 498(2) or 498(3) of the Companies Act 2006. The information for the year to 31 December 2021 contained in these condensed consolidated accounts has been extracted from the latest published audited financial statements. A copy of the statutory accounts for year ended 31 December 2021 has been delivered to the Registrar of Companies.

2 Significant accounting policies

The accounting policies and methods of computation adopted in the preparation of these condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2021 as disclosed in the Annual Report, except for the adoption of new standards and interpretations effective as of 1 January 2022, which are described in more details below.

The condensed consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period. The Group's management considers that the fair value of financial assets, financial liabilities and lease liabilities approximates their carrying amounts.

2 Significant accounting policies (continued)

Basis of preparation

The annual consolidated financial statements of the Group will be prepared in accordance with UK adopted International Accounting Standards in conformity with requirements of the Companies Act 2006. The interim set of condensed consolidated financial statements included in this half-yearly financial report has been prepared in accordance with the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority and with International Accounting Standard (IAS) 34 Interim Financial Reporting as adopted by the United Kingdom.

The condensed consolidated financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the Group's audited consolidated financial statements for the year ended 31 December 2021. In addition, results for the six-month period ended 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022. The condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2022 is not affected significantly by seasonality of results.

Going concern

The Group's Directors have assessed the Group's financial position for a period of not less than 12 months from the date of approval of the half year results and have a reasonable expectation that the Group will be able to continue in operational existence for the foreseeable future.

The Group was in a net current liability position as at 30 June 2022 amounting to US$ 5.7 million (31 December 2021: net current assets of US$ 4.2 million). The Group has US$ 10.1 million of available resources comprising cash and cash equivalents and it has an available undrawn working capital facility of US$ 13.5 million (31 December 2021: US$ 3.5 million) as at the at the reporting date.

The Group is expected to continue to generate positive operating cash flows for the foreseeable future and has in place a committed working capital facility of US$ 45.0 million (31 December 2021:US$ 50.0 million), of which US$ 25.0 million (31 December 2021: US$ 25.0 million) can be utilised to support the issuance of performance bonds and guarantees, of which US$ 12.5 million (31 December 2021: US$ 11.6 million) was utilised for this purpose as of 30 June 2022 (refer *Note 18)*. The balance of US$ 20 million can be utilised to draw down cash. During the period, the working capital facility was reduced by US$ 5 million under the terms of the facility agreement. US$ 6.5 million of this facility was utilised as of 30 June 2022 (31 December 2021: US$ 21.5 million), leaving US$ 13.5 million (31 December 2021: US$ 3.5 million) available for drawdown. The working capital facility expires alongside the main debt facility in June 2025. (refer *Note 15)*

The Group's current bank terms are to raise US$ 50 million equity before the end of the year or, if failing to do so, to issue of 87.6 million warrants giving potential rights to 134 million shares at a specific price if exercised. The position as at 30 June 2022 remains the same as that described in the 2021 annual report and neither of the two contractual scenarios have been ruled out. The Board considers the likelihood of issuance of warrants to be more likely than not. If leverage is above 4.0x at 31 December 2022, PIK interest would accrue at a rate defined within the Glossary. The Group's cashflow forecasts used for the Going Concern assessment includes PIK interest for the first six months of 2023.

2 Significant accounting policies (continued)

Going concern (continued)

The Group's forecasts, having taken into consideration reasonable risks and downsides, indicate that its bank facilities along with order book of contracted work and a strong pipeline of near-term opportunities for additional work will provide sufficient liquidity for its requirements for the foreseeable future and the Group will remain in compliance with the covenants under the Group's banking facilities throughout the period until the end of September 2023, Accordingly, these consolidated interim financial statements for the Group have been prepared on a going concern basis.

GMS continues to remain cognisant of the wider context in which it operates and the impact that climate change could have on the financial statements of the Group. The impact of climate change is expected to be insignificant in the going concern assessment period.

While the current situation regarding the war in Ukraine and Russian sanctions remains uncertain, the Group believes that the potential impact of the war, border closures and resulting sanctions will not have a significant impact on its operations. Nevertheless, the Group's core market is middle east which is expected to invest heavily in shallow water production capacity over the coming decade which will drive demand for offshore marine services.

New and amended standards adopted by the Group

The following new and revised IFRSs have been adopted in these condensed consolidated financial statements.

- COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

The application of these new and revised IFRSs has not had any material impact on the amounts reported for the current and prior periods and did not require any retrospective adjustments but may affect the accounting for future transactions or arrangements. The full revised accounting policies applicable from 1 January 2022 will be provided in the Group's annual financial statements for the year ending 31 December 2022.

At the date of the condensed consolidated interim financial statements, the following other standards, amendments and Interpretations have not been effective and have not been early adopted by the Group:

- Classification of Liabilities as Current or Noncurrent – Amendments to IAS 1
- IFRS 17 Insurance Contracts
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Definition of Accounting Estimate – Amendments to IAS 8
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

These new and amended standards are not expected to have a significant impact on the Group's condensed consolidated interim financial information.

3 Segment reporting

The segment information provided to the chief operating decision makers for the operating and reportable segments for the period include the following:

	Revenue			**Segment adjusted gross profit/(loss)***		
	6 months ended 30 June		31 December	**6 months ended 30 June**		31 December
	2022	2021	2021	**2022**	2021	2021
	US$'000	US$'000	US$'000	**US$'000**	US$'000	US$'000
K-Class vessels	**22,609**	20,225	43,027	**13,708**	11,822	26,214
S-Class vessels	**17,037**	16,168	33,420	**11,890**	10,634	22,590
E-Class vessels	**26,751**	15,000	38,680	**17,355**	8,736	25,104
Total	**66,397**	51,393	115,127	**42,953**	31,192	73,908
Less:						
Depreciation charged to cost of sales				**(11,787)**	(11,306)	(22,738)
Amortisation charged to cost of sales				**(3,790)**	(3,500)	(5,503)
Reversal of impairment *(refer Note 9)*				-	-	14,959
Gross profit				**27,376**	16,386	60,626
General and administrative expenses				**(5,819)**	(4,883)	(12,272)
Finance income				**8**	6	9
Finance expense *(refer Note 8)*				**(7,290)**	(7,986)	(14,463)
Foreign exchange gain/(loss), net				**240**	(698)	(1,002)
Other income				**66**	20	28
Profit before taxation				**14,581**	2,845	32,926

**See Glossary.*

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in either of the periods. Segment assets and liabilities, including depreciation, amortisation and additions to non-current assets, are not reported to the chief operating decision maker on a segmental basis and, therefore, are not disclosed.

4 Presentation of adjusted non-GAAP results

The following table provides a reconciliation between the statutory and non-statutory financial results:

	Six months ended 30 June 2022			Six months ended 30 June 2021		
	Adjusted Non-GAAP results US$'000	**Adjusting Items[3] US$'000**	**Statutory Total US$'000**	Adjusted Non-GAAP results US$'000	Adjusting items[3] US$'000	Statutory total US$'000
Revenue	66,397	-	66,397	51,393	-	51,393
Cost of sales						
- Cost of sales before depreciation, amortisation and impairment	(23,444)	-	(23,444)	(20,201)	-	(20,201)
Segmented Gross profit	42,953	-	42,953	31,192	-	31,192
-Depreciation and amortisation	(15,577)	-	(15,577)	(14,806)	-	(14,806)
Gross profit	27,376	-	27,376	16,386	-	16,386
General and administrative						
-Depreciation and amortisation	(186)	-	(186)	(227)	-	(227)
-Other administrative costs	(5,633)	-	(5,633)	(4,656)	-	(4,656)
Operating profit	21,557	-	21,557	11,503	-	11,503
Finance income	8	-	8	6	-	6
Finance expense	(7,290)	-	(7,290)	(6,261)	-	(6,261)
Cost to acquire new bank facility[1]	-	-	-	-	(3,165)	(3,165)
Fair value adjustment on recognition of new debt facility[2]	-	-	-	-	1,440	1,440
Other income	66	-	66	20	-	20
Foreign exchange gain/(loss), net	240	-	240	(698)	-	(698)
Profit/(loss) before taxation	14,581	-	14,581	4,570	(1,725)	2,845
Taxation charge	(1,471)	-	(1,471)	(851)	-	(851)
Net profit after tax	13,110	-	13,110	3,719	(1,725)	1,994
Profit attributable to						
Owners of the Company	13,097	-	13,097	3,607	(1,725)	1,882
Non-controlling interests	13	-	13	112	-	112
Profit per share (Basic)	1.29	-	1.29	1.00	(0.48)	0.52
Supplementary non-statutory information						
Operating profit	21,557	-	21,557	11,503	-	11,503
Add: Depreciation and amortisation charges	15,763	-	15,763	15,033	-	15,033
Non-GAAP EBITDA[3]	37,320	-	37,320	26,536	-	26,536

[1]Costs incurred to arrange a new bank facility have been added back to Profit/(loss) before taxation to arrive at adjusted net profit[3] for the period ended 30 June 2021. 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 period to period.
[2]The fair value adjustment on recognition of the new loan has been added back to loss before taxation to arrive at adjusted net profit[3] for the period ended 30 June 2021. 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 period to period.
[3]Please see Glossary for definition.

5 Taxation

Tax is calculated at the rates prevailing in the respective jurisdictions in which the Group operates. The overall effective rate is the weighted average of the expected taxes to be paid in each jurisdiction. Income is subject to tax including withholding tax on Revenue and Corporation tax on Profit for the year in each taxable jurisdiction (being principally Qatar, the United Kingdom and Saudi Arabia). The Group effective tax rate was 14.8% for the period ended June 2022 (Six months ended June 2021: 9.13%).

The current tax charge of US$ 1.5 million (six-month period ended June 2021: US$ 0.9 million) included withholding tax amounting to US$ 0.9 million (six-month period ended June 2021: US$ 0.6 million).

A subsidiary of the Group received a tax assessment from the Saudi tax authorities (ZATCA) for an amount of US$ 7.3 million related to the transfer pricing of our inter-group bareboat agreement, for the period from 2017 to 2019. The Group has filed an appeal with the Tax Violations and Dispute Resolution Committee (TVDRC) 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 from 2010 in respect of a law which was issued in 2019, which applied a “tested party” assessment different to that supported by our tax advisors and using an approach which the Directors (supported by its tax advisors) consider to be inconsistent with the principles set out in the KSA transfer price guidelines, the Directors are confident that the Group has complied with the relevant tax legislation. On that basis, the Directors have not made a provision for the current or any future potential assessments of a similar nature.

6 Earnings per share

	6 months ended 30 June 2022	6 months ended 30 June 2021	Year ended 31 December 2021
Earnings for the purpose of calculating the basic and diluted earnings per share being profit for the period attributable to Owners of the Company (US$’000)	**13,097**	1,882	31,001
Earnings for the purpose of calculating the adjusted basic and diluted profit per share (US$’000) *(Note 4)*	**13,097**	3,607	17,768
Weighted average number of shares (‘000)	**1,016,415**	361,525	691,661
Weighted average diluted number of shares (‘000)	**1,019,646**	366,064	695,753
Basic earnings per share (cents)	**1.29**	0.52	4.48
Diluted earnings per share (cents)	**1.28**	0.51	4.46
Adjusted earnings per share (cents)	**1.29**	1.00	2.57
Adjusted diluted earnings per share (cents)	**1.28**	0.99	2.55

6 Earnings per share (continued)

Basic earnings per share is calculated by dividing the earnings attributable to equity holders of the Company for the period (as disclosed in the condensed consolidated statement of comprehensive income) by the weighted average number of ordinary shares in issue during the period. For the comparative period/year, the deferred shares were not included in any of the Earnings per share calculations as they did not have a right to dividends.

Adjusted earnings per share is calculated on the same basis as basic earnings but uses the adjusted profit attributable to equity holders of the Company for the period (refer *Note 4).* 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 earnings attributable to owners of the Company for the period by the weighted average number of ordinary shares in issue during the period adjusted for the weighted average effect of LTIP's during the period.

Adjusted diluted earnings per share is calculated on the same basis but uses adjusted profit *(refer Note 4)* attributable to the equity shareholders of the Company.

The following table shows a reconciliation between basic and diluted average number of shares:

	30 June 2022 000's	30 June 2021 000's	31 December 2021 000's
Weighted average basic number of shares in issue	**1,016,415**	361,525	691,661
Weighted average effect of LTIP's	**3,231**	4,539	4,092
Weighted average diluted number of shares in issue	**1,019,646**	366,064	695,753

The warrants are anti-dilutive thus not included in the calculation.

7 Revenue

	30 June 2022 US$'000	30 June 2021 US$'000
Charter hire	**34,433**	29,309
Lease income	**22,492**	16,699
Messing and accommodation	**6,705**	3,418
Maintenance service	**1,677**	1,398
Mobilisation and demobilization	**670**	511
Sundry income	**420**	59
	66,397	51,394

8 Finance expenses

	30 June 2022 US$'000	30 June 2021 US$'000
Interest on bank borrowings	**6,796**	11,411
Interest on finance leases	**51**	77
Other finance expenses	**413**	334
Recognition of embedded derivative for contract to issue warrants	**-**	926
Derecognition of embedded derivative for contract to issue warrants	**-**	(1,890)
Net loss on changes in fair value of embedded derivative for contract to issue warrants *(Note 16)*	**667**	256
Loss on derivatives reclassified through profit and loss	**140**	139
Gain on revision of debt facility	**-**	(6,332)
Net gain on changes in fair value of interest rate swap *(Note 16)*	**(777)**	(100)
Cost to acquire new bank facility	**-**	3,165
	7,290	7,986

9 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
<u>**Cost**</u>					
Balance as at 1 January 2022	**896,871**	**5,042**	**60,234**	**1,967**	**964,114**
Additions	-	2,021	-	-	2,021
Transfers	1,372	(1,655)	-	283	-
Balance as at 30 June 2022	**898,243**	**5,408**	**60,234**	**2,250**	**966,135**
<u>**Accumulated Depreciation and impairment**</u>					
Balance at 1 January 2022	**335,938**	**2,845**	**18,018**	**1,787**	**358,588**
Depreciation expense	10,179	-	1,607	57	11,843
Balance as at 30 June 2022	**346,117**	**2,845**	**19,625**	**1,844**	**370,431**
<u>**Net Book Value as at 30 June 2022**</u>	**552,126**	**2,563**	**40,609**	**406**	**595,704**

9 Property and equipment (continued)

	Vessels US$'000	Capital work-in-progress US$'000	Vessel spares, fitting and other equipment US$'000	Others US$'000	Total US$'000
Cost					
Balance as at 1 January 2021	**890,012**	**3,927**	**59,902**	**1,967**	**955,808**
Additions	–	8,306	–	–	8,306
Transfers	6,859	(7,191)	332	–	–
Balance as at 31 December 2021	**896,871**	**5,042**	**60,234**	**1,967**	**964,114**
Accumulated Depreciation and impairment					
Balance at 1 January 2021	**331,405**	**2,845**	**14,774**	**1,707**	**350,731**
Depreciation expense	19,492	–	3,244	80	22,816
Reversal of impairment	(14,959)	–	–	–	(14,959)
Balance as at 31 December 2021	**335,938**	**2,845**	**18,018**	**1,787**	**358,588**
Net Book Value as at 31 December 2021	**560,933**	**2,197**	**42,216**	**180**	**605,526**

10 Dry docking expenditure

	30 June 2022 US$'000	31 December 2021 US$'000
At 1 January	**8,799**	10,391
Expenditure incurred during the period/year	**3,495**	3,911
Amortised during the period/year	**(2,768)**	(5,503)
	9,526	8,799

11 Trade receivables

	30 June 2022 US$'000	31 December 2021 US$'000
Trade receivables	**35,572**	42,143
Less: Allowances for trade receivables	**(132)**	(195)
	35,440	41,948

12 Prepayments, advances and other receivables

	30 June 2022 US$'000	31 December 2021 US$'000
Prepayments	**4,070**	3,663
Advances to suppliers	**2,211**	808
Accrued revenue	**1,325**	1,170
Deposits	**406**	406
Other receivables	**-**	922
	8,012	6,969

13 Share capital

Ordinary shares at £0.02 per share

	Number of ordinary shares ('000)	**US$'000**
At 1 January 2022	**1,016,415**	**30,117**
As at 30 June 2022	**1,016,415**	**30,117**

13 Share capital (continued)

	Number of ordinary shares ('000)	US$'000
At 1 January 2021	350,488	58,057
Placing of new shares	665,927	18,505
Capital reorganisation	-	(46,445)
At 31 December 2021	1,016,415	30,117

As part of the equity raise on 28 June 2021 the Company issued 665,926,795 new ordinary shares with a nominal value of 2 pence per share at 3 pence per share with the additional pence per share being recognised in the share premium account. As a result, total equity of US$ 27.76 million (GBP £19.98 million) was raised of which $18.51 million (GBP £13.32 million) was recognised in the share capital account and $9.25 million (GBP £6.66 million) was recognised in share premium account. Issue costs amounting to US$ 3.2 million had been deducted from the share premium account.

Deferred shares at £0.08 per share

	Number of ordinary shares ('000)	**US$'000**
At 1 January 2022	**350,488**	**46,445**
Buyback and cancellation of deferred shares	**(350,488)**	**(46,445)**
At 30 June 2022	**-**	**-**

	Number of ordinary shares ('000)	US$'000
At 1 January 2021	-	**-**
Capital reorganisation	350,488	46,445
At 31 December 2021	350,488	46,445

13 Share capital (continued)

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 10p ordinary shares was allocated pro rata to the new subdivided 2p ordinary shares and 8p 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. 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.

During the 2022 AGM, shareholders approved an agreement describing the buyback and cancellation of the Deferred shares of the Company pursuant to which, for the aggregate consideration of £1.00, the Company purchased all of the deferred shares arising from its 2021 capital reorganization. Under the Companies Act a share buy-back by a public company (such as the 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.

On 30 June 2022, following the buyback, 350,487,787 deferred shares were cancelled. Following the cancellation of the Deferred shares on 30 June 2022, a transfer of $46.4 million was made from Share capital – Deferred to a Capital redemption reserve (refer *Note 14*).

The Group has Long Term Incentive Plans (“LTIPs”) granted to senior management, managers, and senior offshore officers and which may result in increase in issued share capital in future *(*refer *Note 20)*.

14 Capital redemption reserve

The capital redemption reserve with a value of US $46.4 million, (2021: nil) was created on 30 June 2022 when the Company purchased and then cancelled 350,487,787 deferred ordinary shares *(refer Note 13)*. The capital redemption reserve is not distributable.

15 Bank borrowings

Bank borrowings relate to the bank facility provided by a group of six banks, which comprises of term loans and amounts available under revolving working capital facilities. Secured borrowings at amortised cost are as follows:

	30 June 2022 US$’000	31 December 2021 US$’000
Term loans	**344,977**	358,026
Working capital facility*	**6,500**	21,500
	351,477	379,526

*During the period, the Group made repayments of US$15 million (2021: Nil) towards working capital facility, of which US$13.5 million was early settled.

15 Bank Borrowings (continued)

Bank borrowings are split between hedged and unhedged amounts as follows:

	30 June 2022 US$'000	31 December 2021 US$'000
Economically hedged bank borrowings	**26,923**	30,769
Unhedged bank borrowings	**324,554**	348,757
	351,477	379,526

Bank borrowings are presented in the condensed consolidated balance sheet as follows:

	30 June 2022 US$'000	31 December 2021 US$'000
Non-current		
Bank borrowings	**323,429**	353,429
Current		
Bank borrowings – scheduled repayments within one year	**28,048**	26,097
	351,477	379,526

Net debt as at the end of the period/year was as follows:

	30 June 2022 US$'000	31 December 2021 US$'000
Bank borrowings net of issue costs	**351,477**	379,526
Less: Cash and cash equivalents	**(10,057)**	(8,271)
Total	**341,420**	371,255

On 31 March 2021, the Group amended the terms of its loan facility with its banking syndicate. The amended terms (see below) were significantly different compared to the original loan. Management determined that the Group's loan facility was substantially modified and accordingly the old loan facility was extinguished, and the new facility recognised.

15 Bank Borrowings (continued)

The principal terms of the outstanding facility as at 30 June 2022 are as follows:

- The facility's main currency is US$ and is repayable with a LIBOR plus margin at 3% up to 31 December 2022 at which point margin is based on a ratchet depending on leverage levels.

- The revolving working capital facility amounts to US$ 45.0 million (2021: US$ 50.0 million). USD$ 25.0 million (2021: US$ 25.0 million) of the working capital facility is allocated to performance bonds and guarantees and US$ 20.0 million (2021: US$ 25 million) is allocated to cash of which US$ 6.5 million was drawn as at 30 June 2022 (31 December 2021 US$ 21.5 million), leaving US$ 13.5 million available for drawdown (31 December 2021: US$ 3.5 million). The working capital facility expires alongside the main debt facility in June 2025.
- The facility remains secured by mortgages over its whole fleet, with a net book value at 30 June 2022 of US$ 552.1 million (31 December 2021: US$ 560.9 million) *(Note 9)*. Additionally, gross trade receivables, amounting to US$ 35.6 million (31 December 2021: US$ 42.1 million) have been assigned as security against the loans extended by the Group's banking syndicate*(Note11)*.

- The Group has also provided security against gross cash balances, being cash balances amounting to US$ 10.1 million (31 December 2021: US$ 8.3 million) before the restricted amounts related to visa deposits held with the Ministry of Labour in the UAE of US$ 39K (2021: US$ 39K) included in trade and other receivables which have been assigned as security against the loans extended by the Group's banking syndicate.

- The amended terms contain contingent conditions such that if an additional equity raise of US $50.0 million does not take place by 31 December 2022, PIK interest would potentially accrue, only if leverage is above 4.0x (refer to the Glossary for PIK interest rates) and warrants would be due to the banking syndicate. refer to *Note 16* for details of the valuation of the contract to issue warrants.

The facility is subject to certain financial covenants including; Debt Service Cover; Interest Cover; and Net Leverage Ratio; which are tested bi-annually in June and December. As at 30 June 2022 the Group were required to achieve a net leverage ratio lower than 6.5x, interest cover with a minimum ratio of 2.25x and service cover with a minimum ratio of 1.2x. There are also additional covenants relating to general and administrative costs, capital expenditure and Security Cover (loan to value) which are tested annually in December. In addition, there are restrictions to payment of dividends until the net leverage ratio falls below 4.0 times. However, even if the net leverage exceeds 4.0 times it would not be a breach of covenant. All applicable financial covenants assigned to the Group's debt facility were met as of 30 June 2022.

Management considers the carrying amount of the Group's bank borrowings approximates its fair value as at 30 June 2022.

16 Derivative financial instruments

Embedded derivatives – contract to issue warrants

Under the terms of Group's previous loan facility, the Group was required to issue warrants to its lenders if GMS had not raised US$ 75.0 million of equity by no later than 31 December 2020. As this term was not expected to be met, an embedded derivative liability was recognised for the obligation to issue the warrants. On 01 January 2021, this had a value of US$ 1.4 million, which had increased to US$ 1.9 million by March 2021.

In March 2021, the Group amended the terms of its loan facility, as mentioned in Note 15, and additional time was granted to raise equity before warrants were required to be issued to its lenders. The previous obligation to issue warrants to the bank was waived, and a contingent requirement to issue warrants to banks was introduced. The amended terms required US$ 25.0 million of equity to be raised by 30 June 2021 otherwise the Group would be in default, and a further US$ 50.0 million to be raised by 31 December 2022. The Company was subsequently successful with the requirement to raise the first tranche of equity (refer *Note 13*). If the second tranche equity raise does not take place, by 31 December 2022, there will not be an event of default (unlike the first tranche equity raise), however, warrants will be issued to lenders.

As the new terms of the loan facility contained separate distinguishable terms with a contingent requirement to issue warrants to banks, management determined the debt facility to contain an embedded derivative. The Group was required to recognise the embedded derivative at fair value. Management commissioned an independent valuation expert to measure the fair value of the warrants, which was determined using Monte Carlo simulations. The simulation considers sensitivity by building models of possible results by substituting a range of values. This represents a Level 3 fair value measurement under the IFRS 13 hierarchy. The fair value of the liability as at 30 June 2022 was US$ 1.4 million (31 December 2021 US$ 0.7 million). As the derivative is due to be settled within 12 months, the balance recognised as a current liability as at 30 June 2022.

Under these facilities, the Group is required to raise a further US$ 50 million of equity by 31 December 2022 or issue 87.6 million warrants entitling the banking syndicate to acquire 134 million shares at a strike/exercise price of 6.0 pence per share for a total consideration of GBP £8 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.

Interest Rate Swap

The Group entered into an Interest Rate Swap (IRS) on 30 June 2018 to hedge a notional amount of US$ 50.0 million. The remaining notional amount hedged under the IRS as at 30 June 2022 was US$ 26.9 million (31 December 2021: US$ 30.8million). The IRS hedges the risk of variability in interest payments by converting a floating rate liability to a fixed rate liability. The fair value of the IRS as at 30 June 2022 was an asset value of US$ 0.07 million (31 December 2021: liability of US$ 1.1 million). In 2020 cash flows of the hedging relationship for the IRS were not highly probable and, therefore, hedge accounting was discontinued from this point. In 2020 cash flows of the hedging relationship were not highly probable and, therefore, hedge accounting was discontinued from this point. The remaining balance in the cash flow hedge reserve relates to the balance to be recycled to the profit and loss following the discontinuation of the hedge relationship.

16 Derivative financial instruments (continued)

Interest Rate Swap (continued)

The fair value measurement of the interest rate swap was determined by independent valuers with reference to quoted market prices, discounted cash flow models and recognised pricing models as appropriate. They represent Level 2 fair value measurements under the IFRS 13 hierarchy.

IFRS 13 fair value hierarchy

Apart from the contract to issue warrants, the Group has no other financial instruments that are classified as Level 3 in the fair value hierarchy 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$'000	Embedded derivative US$'000	Total US$'000
At 1 January 2022	**(1,076)**	**(717)**	**(1,793)**
Net gain on changes in fair value of interest rate swap	777	-	777
Settlement of derivatives	369	-	369
Net loss on changes in fair value of embedded derivative	-	(667)	(667)
At 30 June 2022	**70**	**(1,384)**	**(1,314)**

	Interest rate swap US$'000	Embedded derivative US$'000	Total US$'000
At 1 January 2021	**(2,387)**	**(1,449)**	**(3,836)**
Net gain on changes in fair value of interest rate swap	278	-	278
Settlement of derivatives	1,033	-	1,033
Derecognition of embedded derivative warrants	-	1,890	1,890
Initial recognition of embedded derivative	-	(926)	(926)
Net loss on changes in fair value of embedded derivative	-	(232)	(232)
At 31 December 2021	**(1,076)**	**(717)**	**(1,793)**

17 Notes to the Condensed Consolidated Statement of Cash Flows

	Six-month period ended 30 June		Year ended 31 December
	2022	2021	2021
	US$'000	US$'000	US$'000
Profit for the period	**13,110**	1,994	31,219
Adjustments for:			
Depreciation of property and equipment *(Note 9)*	**11,843**	11,353	22,816
Amortisation of dry-docking expenditure *(Note 10)*	**2,768**	2,563	5,503
Amortisation of right-of-use asset	**1,152**	1,117	2,411
Reversal of impairment *(Note 9)*	**-**	-	(14,959)
Income tax expense *(Note 5)*	**1,471**	851	1,707
End of service benefits charge	**48**	350	678
End of service benefits paid	**(119)**	(355)	(546)
Movement in ECL provision during the period/year	**(63)**	(30)	62
Share based payment credit/(charge)	**43**	(53)	(18)
Finance income	**(8)**	(6)	(9)
Finance expenses *(Note 8)*	**7,290**	7,986	14,463
Other income	**(66)**	(20)	(28)
Cash flow from operating activities before movement in working capital	**37,469**	25,750	63,299
Changes in trade receivables	**6,571**	(2,804)	(17,936)
Changes in prepayments, advances and other receivables	**(1,538)**	2,719	846
Changes in trade and other payables	**142**	(3,103)	(4,849)
Cash generated from operations	**42,644**	22,562	41,360
Taxation paid	**(439)**	(448)	(849)
Net cash generated from operating activities	**42,205**	22,114	40,511

18 Contingent liabilities

At 30 June 2022, the banks acting for Gulf Marine Services FZE, one of the subsidiaries of the Group, had issued performance bonds amounting to US$ 12.5 million (31 December 2021: US$ 11.6 million), all of which were counter-indemnified by other subsidiaries of the Group.

19 Capital commitments

	30 June 2022 US$'000	31 December 2021 US$'000
Contractual capital commitments	**6,616**	6,832

Capital commitments comprise mainly capital expenditure, which has been contractually agreed with suppliers for future periods for equipment or the refurbishment of existing vessels.

20 Long term incentive plans

The Group has Long Term Incentive Plans ("LTIPs") which were granted to senior management, managers and senior offshore officers.

The employment condition attached to the Groups LTIP's is that each eligible employee of the Company must remain in employment during the three-year vesting period. For 2019 and 2020 awards, LTIPs were aligned to Company's share performance. The release of these shares was conditional upon continued employment and market vesting conditions.

During the period ended 30 June 2022, additional LTIPs awards were granted to the Chairman and Senior Management. The awards will vest over three years subject to the same employment conditions described above and performance conditions being met in 2024 based on defined ranges. There is an underpin condition such that no awards will vest if the debt leverage in the Group exceeds 4.0 times EBITDA at 31 December 2022 excluding any issue of equity during the year.

Equity-settled share-based payments were measured at fair value at the date of grant. The fair value determined, using the Binomial Probability Model together with Monte Carlo simulations, at the grant date of equity-settled share-based payments, is expensed on a straight-line basis over the vesting period, based on an estimate of the number of shares that will ultimately vest. The fair value of each award was determined by taking into account the performance conditions, the term of the award, the share price at grant date, the expected price volatility of the underlying share and the risk-free interest rate for the term of the award.

Non-market vesting conditions were taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period was based on the number of awards that eventually vest. Any market vesting conditions were factored into the fair value of the share-based payment granted.

20 Long term incentive plans (continued)

To the extent that share-based payments are granted to employees of the Group's subsidiaries without charge, the share-based payment is capitalised as part of the cost of investment in subsidiaries.

The number of share awards granted by the Group during the period is given in the table below:

	30 June 2022	31 December 2021
At the beginning of the period	**2,499,714**	6,573,229
Granted in the period	**9,460,000**	-
Cash settled in the period	**-**	(1,854,298)
Forfeited in the period	**(109,296)**	(2,219,217)
At the end of the period	**11,850,418**	2,499,714

The weighted average remaining contractual life for the vesting period outstanding as at 30 June 2022 was 2.49 years (31 December 2021: 0.5 years). The weighted average fair value of shares granted during the period to 30 June 2022 was US$ 0.057 million (31 December 2021: US$ nil).

	LTIP	LTIP	LTIP
Grant date	14 Jun 2022	29 May 2020	15 Nov 2019
Share price	£0.06	£0.09	£0.08
Exercise price	£0.00	£0.00	£0.00
Expected volatility	102%	120%	102.79%
Risk-free rate	2.17%	0.01%	0.48%
Expected dividend yield	0.00%	0.00%	0.00%
Vesting period	3 years	3 years	3 years
Award life	3 years	3 years	3 years

The expected share price volatility of Gulf Marine Services PLC shares was determined taking into account the historical share price movements for a three-year period up to the grant date (and of each of the companies in the comparator group). The risk-free return was determined from similarly dated zero coupon UK government bonds at the time the share awards were granted, using historical information taken from the Bank of England's records.

21 Related party transactions

Significant transactions with related parties during the period were as follows:

	30 June 2022 US$'000	30 June 2021 US$'000
Rentals of property from Abdulla Fouad	**50**	54
Rentals of breathing equipment from Abdulla Fouad	**280**	241
Catering services for vessel Pepper from National Catering Company Limited WLL	**281**	-

Abdulla Fouad is a partner and minority shareholder in GMS Saudi Arabia Ltd, a subsidiary of the Group. Amounts due to Abdulla Fouad as at 30 June 2022 was US$ 0.4 million (31 December 2021: US 0.1 million). National Catering Company Limited WLL is an affiliate of a significant shareholder of the Company. Amounts due to National Catering Company Limited WLL, as at 30 June 2022 was US$ 0.3 million (31 December 2021: US$ 0.1 million).

22 Events after the reporting period

There were no subsequent events of impact to these Condensed Consolidated Financial Statements after the reporting period.

23 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 per share - represents the adjusted earnings 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 share options outstanding during the period. The adjusted earnings attributable to equity shareholders of the Company is used for the purpose of basic gain per share adjusted by adding back impairment charges (deduction of reversal of impairment during the year 2021), and costs to acquire new bank facilities. 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 4 and 6.

Adjusted net profit – represents net profit after adding back costs of renegotiating bank terms. 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 4 of these results.

Average fleet utilisation – represents the percentage of available days in a relevant period during which the fleet of SESVs is under contract and in respect of which a customer is paying a day rate for the charter of the SESVs.

Average fleet utilisation is calculated by adding the total contracted days in the period of each SESV, divided by the total number of days in the period multiplied by the number of SESVs in the fleet.

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:

	30 June 2022 US$'000	30 June 2021 US$'000
Statutory cost of sales	**39,021**	35,007
Less: depreciation and amortisation	**(15,577)**	(14,806)
	23,444	20,201

EBITDA - represents earnings before interest, tax, depreciation and amortisation, which represents operating profit after adding back depreciation and amortisation. This measure provides additional information of the underlying operating performance of the Group. A reconciliation of this measure is provided in Note 4.

Margin – revenue less cost of sales before depreciation, amortization and impairment as identified in Note 4 of the consolidated interim financial statements.

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:

	30 June 2022 US$'000	31 December 2021 US$'000
Statutory bank borrowings	**351,477**	379,526
Less: cash and cash equivalents	**(10,057)**	(8,271)
	341,420	371,255

Net cash flow before debt service - the sum of cash generated from operations and investing activities.

Segment adjusted gross profit - represents gross profit after adding back depreciation, amortisation and impairment charges or reversal of impairment charges. 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 3.

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. Includes extension options.
Borrowing rate	LIBOR plus margin.
Calendar days	takes base days at 365 and only excludes periods of time for construction and delivery time for newly constructed vessels.
Costs capitalised	represent qualifying costs that are capitalised as part of a cost of the vessel rather than being expensed as they meet the recognition criteria of IAS 16 Property, Plant and Equipment.
Day rates	rate per day charge to customers per hire of vessel as agreed in the contract.
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.
Employee retention	percentage of staff who continued to be employed during the year (excluding retirements and redundancies) taken as number of resignations during the period/ year divided by the total number of employees at the period/year end.
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
Debt Service Cover	represents the ratio of Adjusted EBITDA to debt service.
GMS core fleet	consists of 13 SESVs, with an average age of ten 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.
LIBOR	London Interbank Offered 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.
Net leverage ratio	represents the ratio of net bank debt to Adjusted EBITDA.
NOC	National Oil Company.
OSW	Offshore Wind.
PIK	Payment In Kind. Under the 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 is between 4.0X and 5.0x b Nil when Net Leverage reduces below 4.0x PIK stops accruing at the PIK end date which is the earlier of leverage falling below 4.0X or loans being discharged.
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 day rates	day rates from signed contracts firm plus options held by clients.
Secured utilisation	contracted days of firm plus option periods 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 Secured Vessels.
SESV	Self-Elevating Support Vessels.
SG&A spend	means that the selling, general and administrative expenses calculated on an accruals basis should be no more than the SG&A maximum spend for any relevant period.
Total Recordable Injury Rate (TRIR)	calculated on the injury rate per 200,000 man hours and includes all our onshore and offshore personnel and subcontracted personnel. Offshore personnel are monitored over a 24-hour period.
Underlying G&A	underlying general and administrative (G&A) expenses excluding depreciation and amortisation, restructuring costs, and exceptional legal 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 4.
Warrants	Under the banking documents date 31 March 2021, if Warrants are issued on 1 July 2021 because of the failure to raise US$ 25 million by 30 June 2021, half of the issued warrants vest on that date. The other half will only vest on 2 January 2023 if there is a failure to raise US$ 50 million. If warrants are issued on 2 January 2023 because of the failure to raise US$ 50 million all of the issued warrants vest on the same date. All warrants to expire on 30 June 2025 (maturity date of the facilities).

Cautionary Statement

This announcement includes statements that are forward-looking in nature. All statements other than statements of historical fact are capable of interpretation as forward-looking statements. These statements may generally, but not always, be identified by the use of words such as ‘will’, ‘should’, ‘could’, ‘estimate’, ‘goals’, ‘outlook’, ‘probably’, ‘project’, ‘risks’, ‘schedule’, ‘seek’, ‘target’, ‘expects’, ‘is expected to’, ‘aims’, ‘may’, ‘objective’, ‘is likely to’, ‘intends’, ‘believes’, ‘anticipates’, ‘plans’, ‘we see’ or similar expressions. By their nature these forward-looking statements involve numerous assumptions, risks and uncertainties, both general and specific, as they relate to events and depend on circumstances that might occur in the future.

Accordingly, the actual results, operations, performance or achievements of the Company and its subsidiaries may be materially different from any future results, operations, performance or achievements expressed or implied by such forward-looking statements, due to known and unknown risks, uncertainties and other factors. Neither Gulf Marine Services PLC nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest the Company or any other entity and must not be relied upon in any way in connection with any investment decision. All written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above.