

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

**2020 ANNUAL REPORT AND NOTICE OF 2021 ANNUAL GENERAL MEETING**

The Company advises that the 2020 Annual Report, the Notice of the 2021 Annual General Meeting and Proxy Form are being made available to Shareholders electronically today, 2 June 2021. The 2020 Annual Report and the Notice of 2021 Annual General Meeting will be available shortly on the Company's website at [www.gmsplc.com](http://www.gmsplc.com).

In accordance with Listing Rule 9.6.1R, copies of these documents are being submitted to the UK Listing Authority via a National Storage Mechanism and will shortly be available to the public for inspection at <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 2020 Annual Report. The appendices should be read in conjunction with the Company's Full Year 2020 Results Announcement, issued at 07:00 on 14 May 2021, RNS Number 5086Z. This material is not a substitute for reading the full 2020 Annual Report.

Mailing of the 2020 Annual Report, Notice of the 2021 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 Wednesday, 30 June 2021. Further details are included in the Notice of the AGM. Due to the continued unpredictability caused by the COVID-19 Pandemic and uncertainty relating to the lifting of the coronavirus restrictions as set out in the letter accompanying the notice of AGM, Shareholders and others are unlikely to be able to attend the AGM in person and are therefore strongly encouraged not to attend and to cast their votes by proxy appointing the Chairman of the meeting as proxy to vote on their behalf.

In light of the coronavirus restrictions, 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 will be present in person.
- Shareholders are unlikely to be permitted to attend the Company’s AGM in person and, if they attempt to do so, may be refused entry to the meeting in line with current coronavirus restrictions and under the Company’s Articles.
- 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](mailto: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 2021 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](mailto: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.

## **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 75 of the 2020 Annual Report.

These responsibilities are for the full 2020 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 21 May 2021 are set out below:

Mansour Al Alami, Executive Chairman

Hassan Heikal, Non-Executive Deputy Chairman

Rashed Al Jarwan, Senior Independent Non-Executive Director

Jyrki Koskelo, Independent Non-Executive Director

## Appendix B

### Principal risks and uncertainties

The following has been extracted from pages 21 to 24 of the 2020 Annual Report:

The rating of the principal risks facing the Group in the short to medium term 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
<p><b>1 Utilisation</b></p>	
<p>Utilisation levels may be reduced by the following root causes:</p> <ul style="list-style-type: none"> <li>• Increasing competition as other market participants increase the supply of SESVs in the markets in which GMS operates;</li> <li>• Sustained lower expenditure and investment by the oil and 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;</li> <li>• Reliance on a limited number of NOCs, IOCs and international EPC clients;</li> <li>• Fleet capabilities may no longer match with changing client requirements. Failure to deliver the specifications and expected performance could lead to reputational damage and impact GMS' ability to win work; and</li> <li>• Reduced utilisation may materially adversely affect our business, financial condition and results of operations.</li> </ul>	<p><b>Modification flexibility for clients</b> GMS' vessels are built to be as flexible as possible allowing the Company 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 client requirements.</p> <p><b>Continuous communication with clients</b> The Group maintains strong relationship with its clients through continuous communication and a history of providing safe and reliable services.</p> <p><b>Business segment and geographical diversity</b> 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><b>Vessel monitoring</b> The Group has procedures in place, such as the Planned Maintenance System, to ensure that the vessels undergo regular preventative maintenance. The Group's robust operating standards result in minimal downtime.</p>
<p><b>2 Inability to secure an appropriate capital structure – equity</b></p>	
<p>Under the terms of the latest bank deal signed on 31 March 2021, GMS is required to raise US\$ 25 million by 30 June 2021 and a total of US\$ 75 million by 31 December 2022. Failure to do this would lead to an inadequate capital structure and a potential event of default.</p>	<p><b>Renegotiation of bank facilities</b> The Group recently announced improved terms on its bank facilities and plans for raising a minimum of US\$ 25 million of new equity (net) by 30 June 2021, with the remaining balance of up to US\$ 75 million in total by the end of 2022. The need to</p>

	<p>obtain shareholder approval and raise the first tranche of US\$ 25 million of equity by 30 June 2021 to avoid an event of default indicates a material uncertainty that may cast significant doubt as to the Group's ability to continue as a going concern. Notwithstanding this material uncertainty, the Directors believe that there is good reason to believe that there will be sufficient shareholder support to complete the first equity raise on time. Refer to Note 3 of the consolidated financial statements.</p> <p>Beyond that, the Board is focused on sustaining operational excellence while enhancing performance and utilisation of GMS' assets to explore and secure new opportunities. This will be key to driving improved profitability and cash flow, which is expected to deliver shareholder confidence and a higher share price.</p>
<p><b>3 Mena Oil and Gas Market</b></p>	
<p>MENA NOCs have local content requirements as part of their tender processes designed to give preference to suppliers that commit to improving their local content and levels of spend and investment in-country. This may prevent GMS from winning 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><b>Local content requirements</b> 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><b>Market knowledge and operational expertise</b> 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><b>4 Operations: inability to deliver safe and reliable operations</b></p>	
<p>The Group may suffer commercial and reputational damage from an environmental or safety incidents involving employees, visitors or contractors.</p> <p>The physical risk of climate change, such as natural disasters or extreme weather events may impact our ability to operate. Inadequate preparation for emergency situations, such as pandemics, geopolitical instability, could have a negative impact on the business.</p>	<p><b>Safety awareness</b> 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 cover of all commercial contracts in place.</p> <p>All of our vessels are designed to withstand extreme weather events as specified by the Class Society.</p>

<p>Insufficient insurance coverage may lead to financial loss.</p>	<p><b>Training and compliance</b> Our employees undergo continuous training on operational best practices.</p> <p><b>Scheduled maintenance</b> The Group follows regular maintenance schedules on its vessels and the condition of the vessels is consistently monitored.</p> <p><b>Business continuity plan</b> The Group has in place a business continuity management plan which it regularly maintains.</p> <p><b>Insurance</b> The Group regularly liaises with insurance brokers to ensure sufficient coverage is in place.</p>
<p><b>5 Liquidity and covenant compliance</b></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 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 do so the 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><b>Liquidity management</b> The Group continues to manage liquidity carefully through focusing on receivables collections and managing the timing of supplier payments.</p> <p><b>Cost management</b> The Group has implemented a comprehensive cost reduction programme, removing over US\$ 20 million of annualised costs in order to generate higher EBITDA and increased cash to service debt. Continual review of costs and search for further efficiencies is ongoing.</p> <p><b>Minimising capital expenditure</b> The Group is focused on restricting capital expenditure to essential spending only, to ensure the safe and reliable operations of its vessels.</p> <p><b>Covenant compliance</b> 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><b>6 People</b></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><b>Communication and engagement</b> Communication has remained a key practice of management, especially during the COVID-19 pandemic. During the year, the focus for employees has been on safety and wellbeing through working remotely, regular testing and enhanced cleaning procedures.</p> <p>In 2021, Rashed Al Jarwan was appointed as the new Workforce Engagement Director, explicitly</p>

	<p>tasked with monitoring the level of engagement and alignment across the organisation.</p> <p><b>Remuneration Policy</b> 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><b>Equal opportunities</b> 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><b>Resource planning</b> The Group is in the process of identifying critical roles and preparing plans to ensure smooth transition in case of changes in personnel.</p> <p>Refer to the Governance Report on pages 34 to 37 for details of changes at the Board level and assessment of what skills the new Board brings to GMS.</p>
<p><b>7 Legal, economic, and political conditions</b></p>	
<p>Political instability in the regions in which GMS operates (and recruit from) may adversely affect its operations.</p>	<p><b>Emergency response planning and insurance</b> 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><b>Workforce planning and monitoring</b> Workforce planning and demographic analysis is completed in order to increase diversity.</p>
<p><b>8 Compliance and regulation</b></p>	
<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</p>	<p><b>Code of Conduct</b> 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><b>Regulations</b> A central database is maintained which 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,</p>

<p>to win a new contract, the early termination of an existing contract or exclusion from future contracts.</p>	<p>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><b>External review</b> 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>
<p><b>9 COVID-19 pandemic</b></p>	
<p>The COVID-19 pandemic has presented a number 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>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><b>Hygiene measures</b> GMS 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><b>COVID-19 vaccinations</b> COVID-19 vaccines are available in some of the countries where GMS operates and have been made available to staff, both onshore and offshore.</p> <p><b>Offshore rotations</b> Crew rotations have been extended as a temporary measure to minimise impact of quarantine requirements of some clients.</p> <p><b>Vessel maintenance</b> The Group has in place a strict management of change process, which ensures where it has been unable to have equipment tested, inspected or certified offshore, due to the availability of suitably qualified personnel offshore, that an appropriate risk management process is in place.</p> <p><b>Contract delays</b> 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><b>10 Cyber-crime – security and integrity</b></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><b>Cybersecurity monitoring and defence</b> GMS operates multi-layer cyber-security defences which are monitored for effectiveness to ensure they remain up to date.</p>

	GMS engages with third party specialists to provide security services.
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