

Directors' Report for the Year Ended 31 December 2024

The Directors submit their report and audited consolidated financial statements of Gulf Navigation Holding PJSC ("the Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2024.

These will be laid before the shareholders at the Annual General Meeting of the Company, which is scheduled to be held sometime within the first half of 2025.

Principal activities

The Group is primarily engaged in marine transportation of commodities, chartering vessels, shipping services, marine transport under special passenger and merchant contracts, clearing and forwarding services and container loading, unloading, discharging and packaging services.

Results

The results of the Group for the year ended 31 December 2024 are set out on page 9 of these consolidated financial statements.

Going concern

The Group reported a loss of AED 20,084 thousand for the year ended 31 December 2024 (2023: profit of AED 21,275 thousand). The Group's current liabilities exceeded its current assets by AED 223,277 thousand.

EBITDA of the Group for the year ended 31 December 2024 amounted to AED 43,327 thousand.

The management of the Group has prepared a cash flow forecast for a period of not less than twelve months from the date of the issuance of these consolidated financial statements and have a reasonable expectation that the Group will have adequate resources to continue its operational existence for the foreseeable future.

Consolidated Financial Statements

Potential acquisition

On March 13, 2025, the General Assembly approved the acquisition of assets and companies owned by Brooge Energy Limited, including Brooge Petroleum and Gas Investment Company FZE, Brooge Petroleum and Gas Investment Company Phase III FZE, and BPGIC Phase 3 Limited.

The Company announced that the acquisition will be financed through a combination of cash, newly issued shares, and Mandatory Convertible Bonds (MCBs), as follows:

- Issuance of 358,841,476 new shares to BEL at AED 1.25 per share, subject to a one-year lock-up period.
- Issuance of MCBs worth AED 2.336 billion to BEL, convertible at AED 1.25 per share, with a oneyear lock-up period post-conversion.

- Issuance of MCBs worth AED 500 million at AED 1.10 per share, allocated exclusively to existing GULFNAV shareholders, with major shareholders subscribing to any unsubscribed bonds. These MCBs will be converted into shares within three months.
- A cash payment of AED 460 million as part of the transaction settlement.

This acquisition aligns with the Company's growth strategy to establish an integrated portfolio of logistical services for the oil, gas, and petrochemical sectors. The Board of Directors has been authorized to take all necessary steps to finalize the transaction, including regulatory approvals, amendments to the Articles of Association, and capital increase procedures.

The transaction is expected to be completed in Q2 2025, subject to regulatory approvals and customary closing conditions.

Directors

The Directors of the Company during the year were as follows:

Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan (Chairman)

Dr. Abdul Rahman Mahmoud Al Afifi (Vice-Chairman)

Dr. Khalifa Saif Jumaa Saif Almehairbi

Ms. Grace Wong – appointed 14 February 2024

Mr. Ahmad Mohamed Fathi Kilani (CEO) – appointed 11 June 2024

Mr. Abdel Hadi Al Sadi – appointed 3 July 2024

Ms. Muhrah Al Ali – resigned 2 February 2024

Mr. Mohamed Abdulrahman Mir Abdulwahid Amiri – resigned 5 June 2024

Mr. Mazen Jaber Hamdan Al Dahmani – resigned 27 June 2024

Mr. Saif Salem Khalifa Alrashdi – resigned 28 October 2024

Mr. Adel Al Hosani – appointed 28 October 2024 – resigned 18 December 2024

Auditors

The consolidated financial statements of the Group have been audited by Grant Thornton.

Signed by:

Dr. Abdul Rahman Al Afifi

► BOARD MEMBER

Mr. Ahmad "M.F." A. Al Kilani

► CHIEF EXECUTIVE OFFICER

Mr. Ali Abouda

► CHIEF FINANCIAL OFFICER

Independent Auditor's Report to the Shareholders of Gulf Navigation Holding PJSC



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Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Gulf Navigation Holding PJSC (the "Company") and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated statement of financial position as at December 31, 2024, and the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2024, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).