

## 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



**Grant Thornton**

**Grant Thornton Audit and Accounting Limited (Dubai Branch)**

The Offices 5

Level 3

Office 302, 303, 308

One Central, DWTC

Dubai, UAE

P.O. Box 1620

T +971 4 388 9925

F +971 4 388 9915

www.grantthornton.ae

## 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).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the **Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements** section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountant’s **International Code of Ethics for Professional Accountants (including International Independence Standards)** (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Impairment of goodwill</b></p> <p>The Group’s consolidated statement of financial position includes AED 143,463 thousand of goodwill, representing 19% of total Group assets. In accordance with IFRS Accounting Standards, this balance is allocated to Cash Generating Units (CGUs) which are tested annually for impairment or whenever changes in circumstances or events indicate that the carrying amount of such intangible assets may not be recoverable.</p> <p>This is a key audit matter as determining whether the carrying value of goodwill is recoverable requires management to make significant estimates concerning the expected future cash flows and associated discount rates and growth rates based on management’s view of future business prospects.</p>	<p>We performed the following:</p> <ul style="list-style-type: none"><li>▪ Checked the mathematical accuracy of the impairment model used for impairment testing, and the extraction of inputs from source documents;</li><li>▪ Reviewed the reasonableness of the key assumptions used in the impairment model, including specifically the operating cash flow projections, discount rates, and terminal growth rates;</li><li>▪ Engaged our internal specialists to assist us in reviewing the methodologies applied including estimates and judgments made by management;</li><li>▪ Considered the sensitivity of the impairment testing model to changes in key assumptions; and</li><li>▪ Assessed the adequacy of the related disclosures in the consolidated financial statements.</li></ul>
<p><b>Impairment of vessels</b></p> <p>As disclosed in Note 6 to the consolidated financial statements, the Group’s consolidated statement of financial position includes AED 530,652 thousand of vessels, representing 72% of total Group assets. In accordance with IFRS Accounting Standards, at the end of each reporting period, it is required to assess whether there is any indication that an asset may be impaired, and, if so, the asset’s recoverable amount must be determined.</p> <p>This is a key audit matter because the Group has incurred operating loss during the year ended December 31, 2024 and determining whether the carrying value of a vessel is recoverable requires management to make significant estimates concerning the expected future cash flows and associated discount rates and growth rates based on management’s view of future business prospects.</p>	<p>We performed the following:</p> <ul style="list-style-type: none"><li>▪ Checked the mathematical accuracy of the impairment model used for impairment testing, and the extraction of inputs from source documents;</li><li>▪ Reviewed the reasonableness of the key assumptions used in the impairment model, including the operating cash flow projections, discount rates, and terminal growth rates;</li><li>▪ Engaged our internal specialists to assist us in reviewing the methodologies applied including estimates and judgments made by management;</li><li>▪ Considered the sensitivity of the impairment testing model to changes in key assumptions; and</li><li>▪ Assessed the adequacy of the related disclosures in the consolidated financial statements.</li></ul>

Other Information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Board of Directors’ Report but does not include the consolidated financial statements and our auditor’s report thereon, and Annual Report which is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information, and accordingly, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we have obtained prior to the date of auditor’s report,

we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group’s Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the IASB and in compliance with the applicable provisions of the UAE Federal Law No. (32) of 2021 and the Company’s Articles of Association, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter

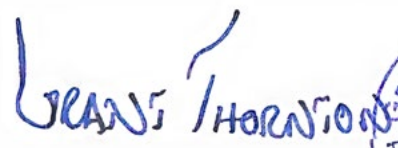
or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that, for the year ended December 31, 2024:

1. We have obtained all the information we considered necessary for the purposes of our audit;
2. The consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the UAE Federal Law No. (32) of 2021;
3. The Company has maintained proper books of account in accordance with established accounting principles;
4. The financial information included in the Board of Directors' Report is consistent with the books of account of the Company;
5. The Group's investments in shares and stocks during the year ended December 31, 2024 are disclosed in Note 12 to the consolidated financial statements;

6. Notes 21 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;
7. Based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended December 31, 2024, any of the applicable provisions of the UAE Federal Law No. 32 of 2021 or of its Articles of Association, which would materially affect its activities or its financial position as at December 31, 2024; and
8. There were no social contributions made during the financial year ended December 31, 2024.

  
**GRANT THORNTON UAE**  
P.O. Box: 1620  
J UBAI-U.A.E.  
Public Accountants

Dr. Osama El Bakry Registration No. 935

Dubai, United Arab Emirates  
March 27, 2025

# Consolidated statement of financial position as at December 31, 2024

	Notes	2024 AED'000	2023 AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Vessels, property and equipment	6	531,873	516,211
Goodwill	7	143,463	143,463
Deferred tax asset	8	1,970	-
Total non-current assets		677,306	659,674
<b>Current assets</b>			
Inventories	9	10,433	9,084
Trade receivables, net	11	14,104	15,552
Advances and other assets	11	31,869	7,592
Financial assets at fair value through profit or loss	12	701	100,379
Cash and bank balances	13	5,195	210,059
Total current assets		62,302	342,666
<b>TOTAL ASSETS</b>		<b>739,608</b>	<b>1,002,340</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	14	837,696	837,696