



DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

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 2023. 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 2024.

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 2023 are set out on page 9 of these consolidated financial statements.

GOING CONCERN

The Group reported a profit of AED 21,275 thousand for the year ended 31 December 2023 (2022: Restated loss of AED 7,616 thousand). The Group's current assets exceeded its current liabilities by AED 31,380 thousand.

EBITDA of the Group for the year ended 31 December 2023 amounted to AED 77,867 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.

On 22 March 2023, a General Assembly Meeting was held and it was resolved to approve a capital reduction by 50% of the total issued share capital of the Company through the cancellation of 637,695,625 shares in the Company with the nominal value of AED 1 (the "Capital Reduction") on a pro rata basis to absorb the accumulated losses amounting to AED 637,696 thousand and a private issuance of 220 million mandatory convertible bonds ("MCBs") to new investors, which will be converted to 200 million

shares at a conversion price of AED 1.10 and the increase in the share capital of the Company to become AED 837,696 thousand. The Capital Reduction was completed on May 22, 2023 and the statutory reserve was fully utilized for the partial absorption of accumulated losses as approved by the General Assembly and after obtaining the necessary regulatory approvals.

POTENTIAL ACQUISITION

On 3 October 2023, the Group has submitted a formal proposal to fully acquire Brooge Petroleum and Gas Investment Company ("BPGIC") from Brooge Energy Limited ("BEL"), a Leading Oil Refinery & Storage Company Listed on NASDAQ. The Company stated that this proposed acquisition will be funded through a combination of cash

The Group has received, through an investment banker a liquidity of AED 220,000 thousand as proceeds from the capital increase during the year, which will provide sufficient cashflow for investment and operating activities in addition to settlement of existing liabilities.

and shares in GULFNAV. The proposed transaction is part of its strategy to enhance growth and provide an integrated portfolio of logistical services related to oil, gas and petrochemical products. The Group is still in discussions with the owners of BPGIC with regards this transaction.

SUBSEQUENT EVENT

On 27 December 2023 the Group announced that it has acquired 40% of the Turkish Polimar Holding Company's stake in Gulf Navigation Polimar Maritime, which is specialized in the field of Maritime Agency Services. Thus, increasing its stake from 60% to 100%. This acquisition aims

to increase revenues by expanding the scope of Agency business in line with the company's strategy for the coming years and focusing on providing a portfolio of integrated logistics solutions. The acquisition of the 40% shares was completed in 2024.

DIRECTORS

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

Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan (Chairman)

Eng. Abdulla Subhi Ahmed Atatreh (Vice-Chairman) resigned 18 August 2023

Mr. Ahmad Mohamed Fathi Kilani (Managing Director) resigned 17 November 2023

Dr. Abdulaziz Fahad H. Alongary resigned 31 August 2023

Dr. Abdul Rahman Mahmoud Abdul Rahman Mohamad Al Afifi

Ms. Manwa Alaa Al Brich resigned 13 July 2023

Mr. Omar Saeed Al Romaithi resigned 18 August 2023

Ms. Muhrah Al Ali appointed 20 September 2023

Mr. Mohamed Abdulrahman Mir Abdulwahid Amiri appointed 11 September 2023

Mr. Mazen Jaber Hamdan Basheer Al Dahmani appointed 11 September 2023




Mr. Khalifa Saif Jumaa Saif Almehairbi appointed 11 September 2023

Mr. Saif Salem Khalifa Alrashdi appointed 25 December 2023

AUDITORS

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

Signed by:

<p>Dr. Abdul Rahman Al Afifi Board Member</p> 	<p>Mr. Ahmad "M.F." A. Al Kilani Chief Executive Officer</p> 	<p>Mr. Ali Abouda Chief Financial Officer</p> 
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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, 2023, 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, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 **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.