



WE GO FURTHER

A YEAR OF TRANSFORMATION



INTEGRATED
REPORT
2023



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> [Online version of the annual report](#)

CHAIRMAN'S MESSAGE

A YEAR OF TRANSFORMATION



Welcome to the integrated report of GULFNAV, a leading provider of petrochemical shipping solutions. This year's report marks a significant milestone – a year of transformation for our company. We are proud to present a comprehensive overview of our financial and non-financial performance, alongside our commitment to sustainability and long-term value creation.

The past year can be described as nothing short of transformative. We recognized the evolving economic landscape and geopolitical realities, and proactively embraced change to ensure our continued success. While fluctuations in energy prices and global uncertainties presented challenges, GULFNAV remained resilient, demonstrating the strength of our business model and our commitment to navigating market volatility.

Our commitment to long-term stability also saw the **successful culmination of our three-year capital restructuring initiative**. This comprehensive process, meticulously planned and executed, has significantly strengthened our financial foundation. It has not only improved our debt-to-equity ratio but also unlocked new avenues for growth and investment. This achievement is a testament to the dedication and collaborative spirit of our entire team and positions us for a future marked by financial resilience and strategic agility.

Our **core focus remains on delivering safe, reliable, and sustainable transportation solutions** for our clients. We are proud of our unwavering commitment to safety, consistently exceeding industry standards through continuous investment in crew training, vessel maintenance, and cutting-edge safety technologies.

Furthermore, sustainability is a core pillar of our long-term strategy. We are actively pursuing initiatives to reduce our environmental footprint, including investing in energy-efficient vessels, exploring the implementation of innovative technologies to optimize operational efficiency.

We understand that our success is intricately linked to the well-being of our stakeholders. We are committed to fostering strong relationships with our employees, customers, partners, and the communities we operate in. We believe in fostering a diverse and inclusive work environment, promoting ethical business practices, and contributing positively to the communities we serve.

This integrated report reflects **our commitment to transparency and accountability**. We encourage you to explore the following pages to gain a deeper understanding of our transformative journey, our evolving strategy, and our unwavering commitment to sustainable

practices. We are confident that this transformation has positioned us for continued success, ensuring a bright future for GULFNAV and all our stakeholders.

Finally, I wish to extend our sincere gratitude to the UAE government and its visionary leadership for their unwavering support. Their dedication to a sustainable and prosperous future aligns perfectly with our own values, and together we can ensure a brighter future for the maritime industry and the communities we serve.

Sincerely,
Theyab Bin Tahnoon Bin Mohammad Al Nahyan
Chairman

CEO'S MESSAGE

FULL STEAM AHEAD



Dear Shareholders and Stakeholders,

I am delighted to present GULFNAV's integrated report. This year marks a significant turning point for our company, characterized by strategic financial manoeuvres and a renewed focus on growth.

The year presented its share of challenges, including fluctuations in energy markets and evolving geopolitical challenges. However, we at GULFNAV have a proven track record of navigating complex environments. We responded to these challenges strategically, focusing on financial and operational improvement.

Capital injection of

200 million dirhams

2023 marked a strategic inflection point for Gulf Navigation. We successfully concluded our comprehensive capital restructuring program, fostering a more robust financial foundation for the future. This achievement, coupled with our deep industry expertise, positioned us to capitalize on exciting new opportunities.

Furthermore, we are excited to announce the formation of a strategic joint venture with Scorpio Services Holding Limited, a leading player in the Maritime Industry. Together, we set up a new Joint Venture under the name **Black Marlin** Ship Management & Operation L.L.C. This partnership leverages our complementary strengths and expands our reach into new markets, positioning us for robust future growth.

Additionally, we welcomed a significant capital injection of 200 million dirhams from new investors, a vote of confidence in our long-term vision and strategic direction. This capital infusion further bolsters our financial strength and fuels our ambitious growth plans.

But perhaps the most significant accomplishment of the past year is the return to profitability, evidenced by recording net profits of 21.3 million dirhams. This achievement underscores the effectiveness of our strategic decisions and operational improvements.

Recognizing our dedication to operational excellence and unwavering commitment to client satisfaction, we were honoured to receive the prestigious **"Excellence in Maritime Services"** Award at the 2023 ShipTek Awards. This industry recognition is a testament to the tireless efforts of our entire team, from our skilled crew members to our dedicated shoreside staff. The award serves as a powerful motivator as we strive for continuous improvement and solidify our position as a leader in the petrochemical shipping industry.

Recording net profits of

21.3 million dirhams

The Company's growth prospects continue to hold promise, and we are resolute in our commitment to building on this momentum. As we progress, our primary focus will be on bolstering revenues and enhancing profit margins through strategic measures such as **expanding the fleet**, optimizing its management, minimizing financing expenses, and maximizing returns for our valued partners and shareholders.

At GULFNAV we hold a positive outlook for the future. Backed by a **robust financial foundation**, a highly skilled workforce, and a steadfast commitment to innovation, we are well-positioned for success. With the support of strategic partnerships and recent capital injections, we are confident in our ability to navigate the dynamic petrochemical shipping landscape and deliver exceptional value to all stakeholders.

Thank you for your continued trust and support. I encourage you to explore this report in detail to gain a deeper understanding of our journey and our vision for the future.

Sincerely,

Ahmad Kilani
 Chief Executive Officer

ABOUT GULFNAV

GOING FURTHER FOR YOU MEANS THE WORLD TO US

Established in 2003, Gulf Navigation Holding PJSC ("GULFNAV") combines a proud heritage with a strong client base and exciting future vision. Reinvigorated by a new executive team, we're constantly looking for ways to go the extra mile: To support our partners. To improve safety and sustainability. And to always do what's best for our employees, our investors and the planet.



A MISSION

To be one of the world's most trusted shipping and maritime companies, renowned for safety, integrity, reliability and sustainability.

A GLOBAL OUTLOOK

Headquartered in Dubai, we have extensive facilities at the ports of Fujairah and Khorfakkan, along with an overseas office in the Kingdom of Saudi Arabia. Longstanding international partnerships extend our reach across the world. We're proud to be the only publicly-listed maritime company on the Dubai Financial Market with truly global services.

A COMPLETE MARITIME PARTNER

We specialise in the transportation of crude oil, chemical products and freight – protecting our clients' reputations with the highest standards of safety, sustainability and crew welfare. Our world-class marine services are delivered by three integrated businesses, providing an agile, flexible approach that gives clients tangible value.

A REPUTATION FOR EXCELLENCE

GULFNAV works with some of the world's largest petrochemical companies and independent trading houses. It's a responsibility we take seriously. Putting quality and integrity at the heart of our operation, we're committed to delivering best practice across our fleet, crews and administration hubs.

By adopting progressive business practices and rigorously training staff and crew, we operate in full compliance with IMO and flag-state rules, as well as holding ISO 9001:2015 certification for quality and safety management.

OUR VALUES

DOING WHAT'S RIGHT

- ▶ Setting ambitious standards for sustainability, workforce well-being, business ethics and transparency. Ensuring equal commitment to our people, the planet and financial performance.

UNLOCKING VALUE THROUGH PARTNERSHIPS

- ▶ Harnessing strategic relationships with like-minded, ethical partners to drive innovation, sustainability, safety and revenue.

ENSURING STABILITY AND PROGRESS

- ▶ Being a responsible partner by relentlessly driving improvement in quality, reliability and value. Providing an environment for employees where they feel safe, supported and encouraged to maximise their potential.

A SUSTAINABLE, FORWARD-THINKING VISION



GULFNAV cares deeply for the environments in which we operate – we understand that, to succeed tomorrow, we need to continually innovate and do what's right. So we're investing heavily in the latest energy-efficient technologies and hold 14001:2015 certification for environmental management. With a modernised fleet and responsible, long-term outlook, we're navigating a more sustainable path to growth.

2023 PERFORMANCE SNAPSHOT

DIVERSITY OF WORKFORCE:



13

Nationalities represented

18%

Women representation
in the workforce

DFM/SCA COMPLIANCE¹:



0

Fines/Penalties during
2023

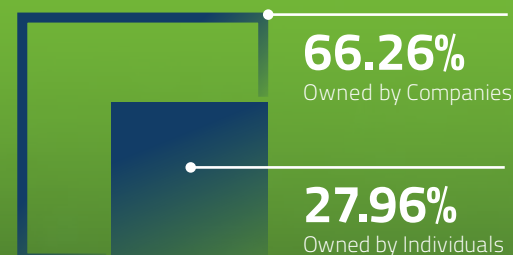
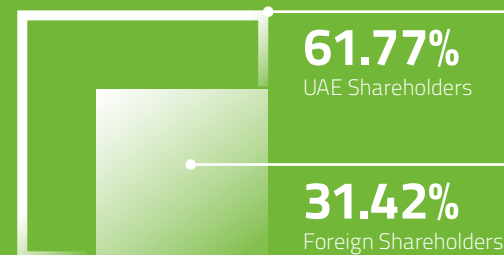
¹ Details in Governance Report

SHAREHOLDERS:



10,642

Shareholders



KEY FINANCIAL HIGHLIGHTS (AED):



Revenue

105.5 Mn

EBITDA

77.9 Mn ^{+48%}

Shareholder's Equity

596 Mn ^{+42%}

Cash Balance

210 Mn

Net Profit

21.3 Mn ^{+380%}

Total Assets

1 Bn ^{+28%}

Net Debt/EBIDTA

1.5 x

2023 MILESTONES AND ACHIEVEMENTS

Mar 16
 GULFNAV wins "Excellence in Maritime Services" Award at ShipTek Awards 2023.

Mar 22
 The General Assembly approved a capital reduction by 50% and the private issuance of 220 million mandatory convertible sukuk to new investors.

Apr 27
 Completed the sale of Gulf Mushrif vessel for \$27 million.

May 14
 Reported Net Profits of 13.5 million dirhams in Q1.

May 19
 Reduced the Company's capital from AED 1,275 million to AED 637.7 million.

May 19
 Eliminated majority of accumulated losses.

Jun 08
 Sold 5 million treasury shares, achieving net proceeds of 17 million dirhams.

Jul 13
 Reported Net Profits of 14 million dirhams in Q2.

Oct 02
 The Board of Directors appointed Mr. Ahmad Kilani as CEO.

Oct 11
 Completed the conversion of 220 million mandatory convertible Sukuk to 200 million shares and increased capital of the Company to AED 837,695,625.

Oct 17
 Reported Net Profits of 7 million dirhams in Q3.

Sep 11
 The General Assembly Elected and appointed new board members.

Sep 14
 Issued 220 million Mandatory Convertible Sukuk to new investors.

Sep 20
 The Board of Directors elected Mr. Mohamed Amiri as Vice Chairman.

Dec 12
 Set up a new JV under the name "Black Marlin" with Scorpio Services Holding Limited.

Dec 27
 Completed acquisition deal and increased the Company's stake from 60% to 100% in Gulf Navigation Polimar Maritime.



OUR BUSINESS UNITS



GULFNAV MARITIME LOGISTICS

GULFNAV Maritime Logistics works closely with leading regional and international partners to deliver a seamless ship-to-shore service. We provide cost-effective transportation and storage solutions for petrochemicals and freight, operating across the Far East, Asia, GCC, Europe, South America and the US.

PUSHING BOUNDARIES – 24/7

From our Dubai HQ, our specialist teams coordinate and manage a first-class fleet of owned and chartered ships, along with agency services to meet your onshore and offshore needs. Their can-do approach, extensive industry relationships and proven commercial expertise ensures a real competitive advantage – with flexible contracts to fit your strategy and budget.

CORE BUSINESS UNITS

OIL, CHEMICAL & PRODUCT TANKERS

GULFNAV operates a state-of-the-fleet of owned and chartered tanker, managed and maintained to the highest safety and environmental standards. With a highly-trained crew, experienced in operating tankers across the world, you know your company's reputation is in the best possible hands.

OFFSHORE LOGISTICS

GULFNAV has specialised teams for offshore activities with the expertise to support owners, investors and operators with the complexities of offshore markets – in oil & gas, as well as renewables such as wind farm installation.

Offshore services include:

- Well Stimulation Vessels – with CLEAN class requirements and double-crew space for 24/7 operations
- Platform Supply Vessels (PSV)
- Anchor Handling Tug Supply Vessels (AHTS)
- Crew Boats

UNCOMPROMISING SAFETY AND PERFORMANCE

Always putting crew and cargo first, our vessels are designed, maintained and repaired according to the highest international standards. Repairs are logged with extensive third-party reports, covering everything from engine machinery and safety equipment to ISM documentations and certificates.

GULFNAV Maritime Logistics holds ISO 9001:2015 accreditation and strives for best practice in operational efficiency across sea and shore. This includes working with the latest intelligent operating systems and providing you with clear cost data so you can run your business more effectively.

DRIVING A MORE SUSTAINABLE TOMORROW

GULFNAV Maritime Logistics takes bold steps to better protect the ecosystems in which we operate, as well as minimising the impact of our vessels on the wider environment. We hold 14001:2015 certification for environmental management and invest heavily across our fleets to ensure cleaner, more fuel-efficient performance.



GULFNAV SHIP MANAGEMENT

Since 2009, GULFNAV Ship Management has Build a reputation across the Middle East and beyond for knowledge, cost efficiency and full compliance with international standards. This is accompanied by a deep commitment to promote more sustainable practices and reduce our environmental impact.

ON SHORE. OFF SHORE. ON A MISSION.

We provide a complete range of ship management and maritime services, including crew management, technical support and consultancy services.

AN AGILE PARTNER IN FAST-CHANGING TIMES

Managing ships in today's climate requires expert knowledge of ever-evolving regulations, combined with a wide scope of expertise and experience. GULFNAV Ship Management takes this responsibility seriously to meet the requirements of shipowners, flag states, port states, class societies, charterers and other stakeholders.

Whether it's operating managed vessels efficiently or protecting crews in full compliance with IMO's International Safety Management Code, we're trusted by industry leaders to stay ahead of changes and deliver tangible value.

WHY CLIENTS CHOOSE GULFNAV SHIP MANAGEMENT

Our team of experts provides tailored ship management and consultancy services to suit your needs and vessels – from crew operations and asset management to supervision of ship-building projects and pre-purchase technical advice.

COMPLETE TECHNICAL MANAGEMENT

Our unrivalled technical expertise is geared to optimising performance, minimising downtime and delivering long-term reliability and value. We can provide total drydock solutions and cover technical management for all types of ships, including those transporting crude oil, chemicals and petroleum (IMO).

CREW MANAGEMENT

Our crew is the heart of our business – and vital to yours. That's why we recruit from a global market of seafarers, building skills with continuous training to ensure officers and crew meet our rigorous standards. Regular crew performance reports, long-term rotation planning and stringent safety checks back up our excellent well-being and performance records.

QUALITY AND ENVIRONMENTAL MANAGEMENT

Our safety and environmental management system ensures vessels are continuously maintained in line with the sector's s most stringent regulatory frameworks. These include International Safety Management (ISM) Law, flag state law, port state monitoring and social classification rules. We are certified in full compliance with ISO 9001:2015 and 14001:2015, and ships are subject to regular independent inspections and auditing.

ASSET MANAGEMENT

We combine industry-leading expertise and advanced processes to provide unrivalled cost-efficiency and asset management. Working with cutting-edge software and systems for shore- and ship-based operations, our technical and administrative teams go the extra mile to seek efficiencies and maximise revenue.

GULFNAV AGENCY SERVICES



Established in 2017 and headquartered in Dubai, with support hubs in Khorfakkan and Fujairah, GULFNAV Agency Services serves terminals and commercial ports across the UAE. Through our network of liaison offices, we also provide cost-effective services throughout the GCC and beyond.

PROFESSIONALISM AND PEACE OF MIND

Our experienced staff ensure detailed knowledge of local and regional markets, including all relevant laws, rules and regulations.

EVERYTHING YOU NEED. FROM SHIP TO PORT.

GULFNAV Agency Services keeps you moving. Our unrivalled expertise and procurement ranges from crew services and warehousing to IT support, repairs, and customs and agency services.

CARGO VESSEL HANDLING

Whether it's petrochemical tankers or bulk, break and container vessels, we have you covered with ship-to-ship transfer operations and turnkey cargo handling.

COORDINATION AND SUPPLY SERVICES

We make it happen with top-quality husbandry services, fulfilling crew change, cleaning, servicing, IT and safety equipment requirements. We also take care of the paperwork with streamlined inspection, certificate renewal, visa processing and medical support.

CREW BOATS

GULFNAV owns a modern fleet of four crew vessels, able to carry up to 39 passengers and a 20-ton deck cargo. Put your most valuable personnel and equipment in safe hands with our peerless track record in safety and security.

SHIP REPAIRS

Our 24/7, state-of-the-art workshops and dry docks at the ports of Fujairah and Khorfakkan boast some of the industry's most skilled Marine Engineers and Master Mariners. Whatever the repair, whether it be mechanical or structural, we'll have you up and running quickly and cost-effectively, with reliability assured.

BLACK MARLIN



Black Marlin is the result of a dynamic collaboration between two industry leaders, Scorpio Services Holding Limited (SSH) and GULFNAV. With a shared commitment to excellence and a wealth of experience, Black Marlin is poised to provide top-tier shipping services to customers worldwide.

Black Marlin's foundation is grounded in unwavering customer focus and satisfaction. Meticulous quality control, adherence to regulations, and continuous improvement are the cornerstones of our operations.



> www.blackmarlinship.com

OUR SERVICES

TECHNICAL
MANAGEMENT

▶ At Black Marlin, we offer comprehensive technical management solutions that ensure the seamless operation of your vessels. Our team is dedicated to maintaining consistent quality throughout the planning process, complying with all regulations, and implementing continuous improvements through rigorous monitoring and testing.

CREW
MANAGEMENT

▶ Our crew management services are designed to meet your staffing needs with precision. We understand the importance of a skilled and reliable crew, and we take pride in the excellence of our seafarers, along with ensuring diligent record-keeping and procedural controls to maintain the best talent onboard.

OPERATIONAL
OVERSIGHT

▶ Black Marlin provides a range of services to keep your fleet operating at its best. From verification and validation to monitoring and inspection, we offer a comprehensive suite of services to maintain the highest standards of safety and performance.

OUR FLEET

CHEMICAL TANKERS

OWNED BY GULFNAV/
MANAGED BY BLACK MARLIN

Vessel Name:
GULF DEFFI

Type:
IMO TYPE II CHEMICAL TANKER

Class DNV

DWT MT45951

Year of Build 2009

 Saudi  Panama



Vessel Name:
GULF FANATIR

Type:
IMO TYPE II CHEMICAL TANKER

Class DNV

DWT MT45920

Year of Build 2008

 Saudi  Panama



Vessel Name:
GULF HUWAYLAT

Type:
IMO TYPE II CHEMICAL TANKER

Class DNV

DWT MT45967

Year of Build 2008

 Saudi  Panama



Vessel Name:
GULF JALMUDA

Type:
IMO TYPE II CHEMICAL TANKER

Class DNV

DWT MT45907

Year of Build 2009

 Saudi  Panama



Vessel Name:
GULF MISHREF¹

Type:
IMO TYPE II CHEMICAL TANKER

Class BV

DWT MT46089

Year of Build 2010

 Liberia



¹ Gulf Mishref was sold in 27 April 2023.

CHEMICAL TANKERS

OWNED BY SCORPIO SERVICES HOLDING LIMITED/
MANAGED BY BLACK MARLIN

Vessel Name:
STI ESLES II

Type:
PRODUCT CHEMICAL TANKER

Class ABS

DWT MT49,990

Year of Build 2018

Marshall Islands 



Vessel Name:
STI San Telmo

Type:
PRODUCT CHEMICAL TANKER

Class ABS

DWT MT45,990

Year of Build 2017

Marshall Islands 



Vessel Name:
STI Donald C Trauscht

Type:
PRODUCT CHEMICAL TANKER

Class ABS

DWT MT49,990

Year of Build 2017

Marshall Islands 



Vessel Name:
STI Jardins

Type:
PRODUCT CHEMICAL TANKER

Class ABS

DWT MT49,990

Year of Build 2018

Marshall Islands 



OUR FLEET (CONTINUATION)

OFFSHORE FLEET

Vessel Name:

GULF NAV-I

LOA	23.7 mtr
Capacity	4 CREW + 39 PAX
Class	DNV

 U.A.E.



Vessel Name:

GULF NAV-III

LOA	27.4 mtr
Capacity	4 CREW + 30 PAX
Class	TASNEEF

 U.A.E.



Vessel Name:

GULF NAV-II

LOA	23.7 mtr
Capacity	4 CREW + 39 PAX
Class	BV

 U.A.E.



Vessel Name:

GULF NAV-IV

LOA	27.4 mtr
Capacity	4 CREW + 30 PAX
Class	TASNEEF

 U.A.E.



LIVESTOCK CARRIER

Vessel Name:

GULF LIVESTOCK 2

Type: LIVESTOCK CARRIER

Class	RINA
DWT	6244t
Year of Build	1985
Year of Conversion	2014

 Panama



WELL STIMULATION VESSEL

Vessel Name:

Allianz Warrior

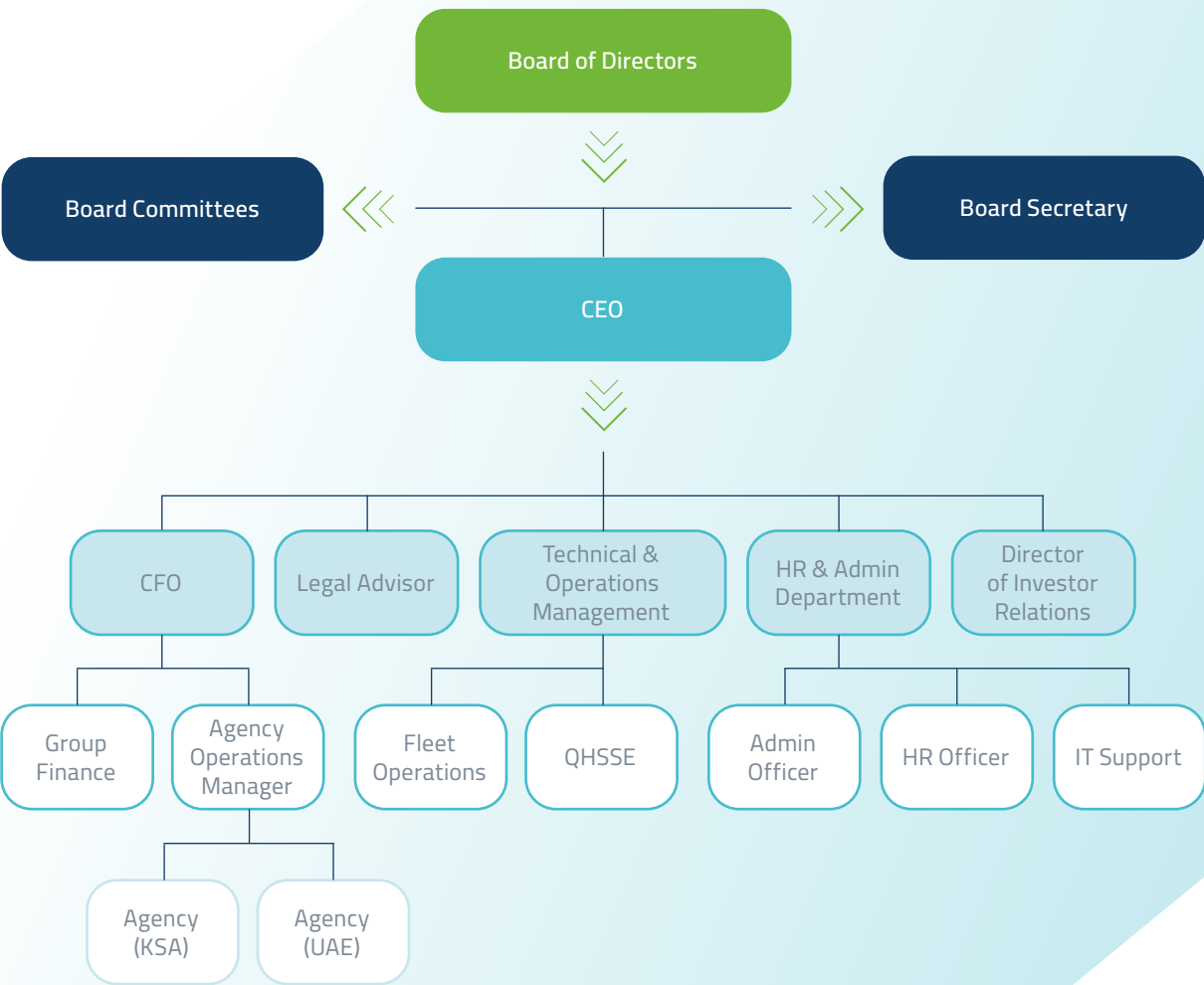
Type: AHTS

Class	IRS
DWT	1800t
Year of Build	2007

 Saint Vincent



ORGANISATIONAL STRUCTURE



OUR PRESENCE

GULF DEFFI:

Consumption:
VLSFO: 2426.3 Mt
LSMGO: 32.02 Mt

17 trips

GULF FANATIR:

Consumption:
VLSFO: 1897.7 Mt
LSMGO: 12.6 Mt

12 trips

GULF HUWAYLAT:

Consumption:
VLSFO: 3414.95 Mt
LSMGO: 23.9 Mt

16 trips

GULF JALMUDA:

Consumption:
VLSFO: 5346.31 Mt
LSMGO: 20 Mt

23 trips

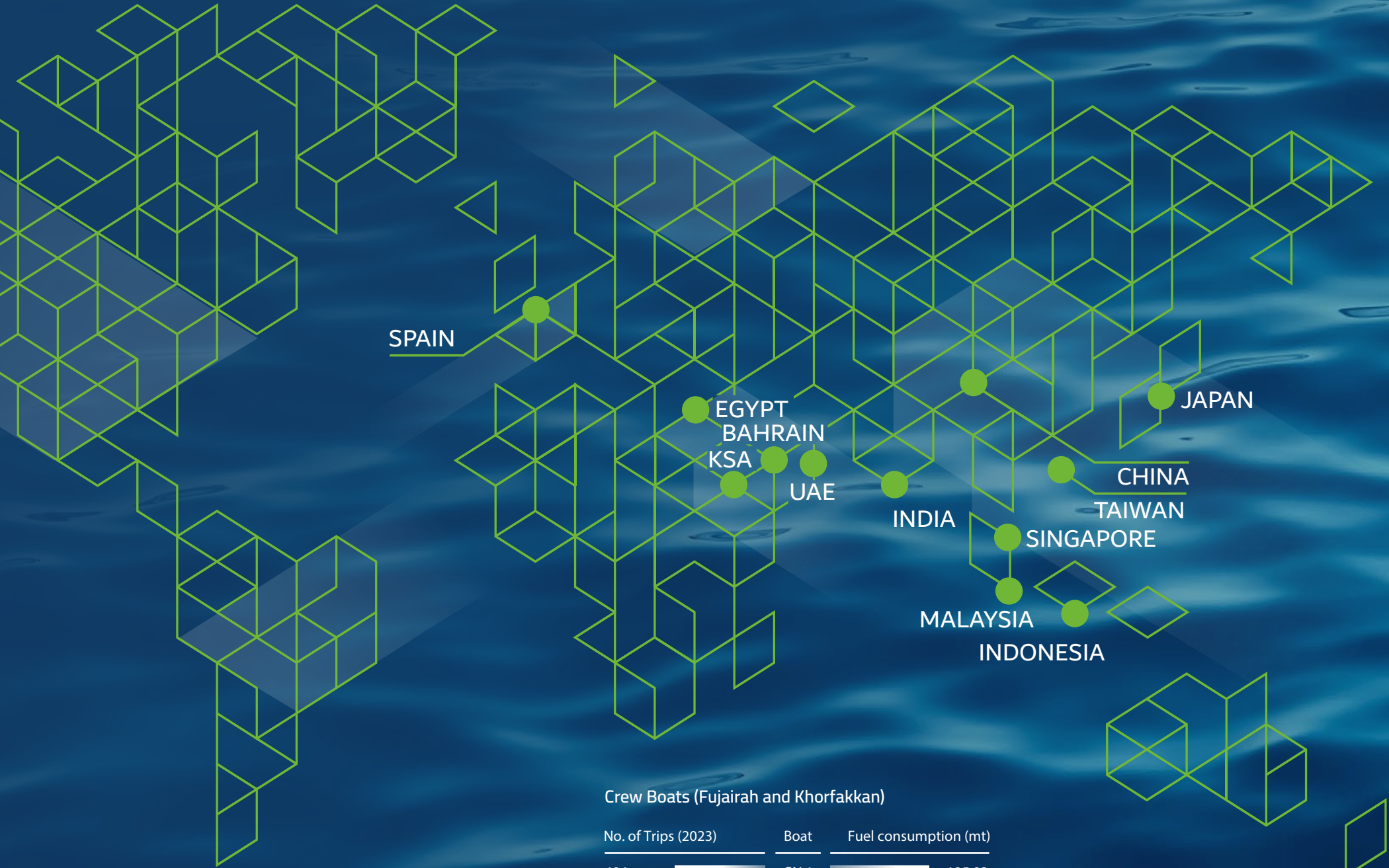
GULF MISHREF:

Consumption:
VLSFO: 1403Mt
LSMGO: 0.05 Mt

11 trips

Total Trips
79

Total consumption: FO + MGO:
14,576.83



Crew Boats (Fujairah and Khorfakkan)

No. of Trips (2023)	Boat	Fuel consumption (mt)
494	GN 1	135.83
490	GN 2	130.42
558	GN 3	109.27
351	GN 4	140.77

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SUSTAINABILITY REPORT

OUR SUSTAINABILITY PLEDGE

FOR A BRIGHTER FUTURE WE GO FURTHER

Every day, GULFNAV embraces the challenge of transporting petrochemicals and complex freight all around the world – while steadfastly preserving the environments in which we operate.

It means meeting stringent regulations and rigorously capturing data to ensure our performance is transparent. But it's also about going further – seeing what's ahead and going beyond the expected to protect our clients, people and the planet.

A LEANER, CLEANER FLEET

In recent years we've embarked on an extensive retrofitting programme, investing heavily in the latest marine technologies such as energy-efficient propellers and bows to reduce fuel consumption. GULFNAV is also collaborating with engine builders like Hyundai and MAN ES to fit compliant Engine Power Limiting Devices, with more advanced technologies in the pipeline to meet future IMO requirements.

Other improvements include advanced ballast water treatment systems across all vessels, Exhaust Gas Cleaning Systems (EGCS) and an evolving fuel strategy such as the use of Low Sulphur Fuel Oil (LSFO).

STRIVING FOR TOTAL SUSTAINABILITY

GULFNAV's approach to sustainability and the environment reflects a deep commitment to analyse every area of our operations. We look at practices, procedures and policies – continuously improving the way we take decisions and our interactions with customers and stakeholders.

GULFNAV is fully committed to adhere to the requirements of the international management code for pollution prevention and environmental control, including compliance with all the applicable international laws and requirements.

- ISO 9001:2015 certified, accredited by Bureau Veritas
- Meeting MARPOL and ISO 14001 requirements
- Following International Safety Management (ISM) Code for safe ship operation and pollution prevention



ALWAYS LOOKING AHEAD

To reduce our present and future impact on the environment, GULFNAV analyses the entire lifetime of each vessel. We monitor and maintain our Inventory of Hazardous Materials (IHM) in line with IMO Hong Kong Convention 2009 on Recycling of Ships and EU SRR 2013. These not only limit the use of hazardous material during the build and operational life of the ship, but also ensure environmentally safe recycling in the future.

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDG)

AT GULFNAV WE SUPPORT THE UN SUSTAINABLE DEVELOPMENT GOALS (SDG). WE BELIEVE OUR APPROACH TO THE BUSINESS AND OUR VALUES WILL HELP US CONTRIBUTE TO A MORE SUSTAINABLE SUPPLY CHAIN.



OUR SUSTAINABILITY STRATEGY

TO BE SUSTAINABLE AND RESILIENT, AND A TRUSTED PARTNER FOR OUR CUSTOMERS IN DELIVERING GLOBAL SHIPPING SOLUTIONS.

ENVIRONMENT:



We protect the environment and ecosystems we all depend on by taking action on climate change, preventing marine pollution and using resources responsibly.

SOCIAL:



We nurture and empower people in our business and the communities we operate in, by managing our talent, protecting their health and safety, respecting their human rights and supporting local communities.

GOVERNANCE:



We uphold the highest standards of ethical business conduct and corporate governance, in compliance with regulation and our own internal policies.

STAKEHOLDERS

AS A SHIPPING COMPANY, WE HAVE MANY RESPONSIBILITIES – TO OUR EMPLOYEES, CONTRACTORS AND PARTNERS, THE GOVERNMENT AND REGULATORS, INDUSTRY PARTNERS AND TO OUR COMMUNITIES.

Working together with our stakeholders allows us to appreciate different viewpoints and maintain a global perspective. It also helps us build mutually beneficial and long-lasting relationships and create opportunities that are aligned with their interests. This is fundamental towards helping us continue to improve our Company. We use a variety of mechanisms to engage our stakeholders, including internal and external meetings, senior executive speeches and press releases, email communications, publications such as the Annual Report and investor presentations.



EMPLOYEES

Our employees are the drivers for our continued business success. We keep our employees informed about the context within which they work and have established channels for our employees to raise concerns across our group of companies. We have an ongoing dialogue with our employees about a wide range of issues, including benefits, development opportunities and diversity.



INDUSTRY

We work through industry groups to help establish standards and address complex energy challenges, and we are members of industry bodies such as The International Convention for the Prevention of Pollution from Ships. Our Group Companies are also members of the industry associations relevant to their operations.



SUPPLIERS, CONTRACTORS AND PARTNERS

Like our industry peers, GULFNAV rarely works in isolation. Safe and responsible operations depend on the capability and performance of our suppliers, contractors and partners. To this end, we set operational standards through legally binding agreements. Training and dialogue also help build the capability of our contractors.



GOVERNMENTS AND REGULATORS

We engage with the local and federal government on many fronts and aim to maintain dialogue with all relevant government agencies, ministries at every stage of our operations. We engage in policy debates that are of concern to us and the communities in which we operate, such as climate change and energy, water management and security.



CUSTOMERS

GULFNAV customers range from Livestock producers to large-scale industrial producers of oil, natural gas and petrochemicals. Through our concerned Group Companies, we engage with customers about supply chain management, GHG emissions and the sustainability of our vessels across their life cycle.

INTERNATIONAL CONVENTION FOR THE PREVENTION OF POLLUTION FROM SHIPS (MARPOL)



THE INTERNATIONAL CONVENTION FOR THE PREVENTION OF POLLUTION FROM SHIPS (MARPOL) IS THE MAIN INTERNATIONAL CONVENTION COVERING PREVENTION OF POLLUTION OF THE MARINE ENVIRONMENT BY SHIPS FROM OPERATIONAL OR ACCIDENTAL CAUSES.

The MARPOL Convention was adopted on 2 November 1973 at IMO. The Protocol of 1978 was adopted in response to a spate of tanker accidents in 1976–1977. As the 1973 MARPOL Convention had not yet entered into force, the 1978 MARPOL Protocol absorbed the parent Convention. The combined instrument entered into force on 2 October 1983. In 1997, a Protocol was adopted to amend the Convention and a new Annex VI was added which entered into force on 19 May 2005. MARPOL has been updated by amendments through the years.

The Convention includes regulations aimed at preventing and minimising pollution from ships – both accidental pollution and that from routine operations – and currently includes six technical Annexes. Special Areas with strict controls on operational discharges are included in most Annexes.

ANNEX I REGULATIONS FOR THE PREVENTION OF POLLUTION BY OIL (entered into force 2 October 1983)

Covers prevention of pollution by oil from operational measures as well as from accidental discharges; the 1992 amendments to Annex I made it mandatory for new oil tankers to have double hulls and brought in a phase-in schedule for existing tankers to fit double hulls, which was subsequently revised in 2001 and 2003.

ANNEX II REGULATIONS FOR THE CONTROL OF POLLUTION BY NOXIOUS LIQUID SUBSTANCES IN BULK (entered into force 2 October 1983)

Details the discharge criteria and measures for the control of pollution by noxious liquid substances carried in bulk; some 250 substances were evaluated and included in the list appended to the Convention; the discharge of their residues is allowed only to reception facilities until certain concentrations and conditions (which vary with the category of substances) are complied with.

In any case, no discharge of residues containing noxious substances is permitted within 12 miles of the nearest land.

ANNEX III PREVENTION OF POLLUTION BY HARMFUL SUBSTANCES CARRIED BY SEA IN PACKAGED FORM (entered into force 1 July 1992)

Contains general requirements for the issuing of detailed standards on packing, marking, labelling, documentation, stowage, quantity limitations, exceptions and notifications.

For the purpose of this Annex, "harmful substances" are those substances which are identified as marine pollutants in the International Maritime Dangerous Goods Code (IMDG Code) or which meet the criteria in the Appendix of Annex III.

ANNEX IV PREVENTION OF POLLUTION BY SEWAGE FROM SHIPS (entered into force 27 September 2003)

Contains requirements to control pollution of the sea by sewage; the discharge of sewage into the sea is prohibited, except when the ship has in operation an approved sewage treatment plant or when the ship is discharging comminuted and disinfected sewage using an approved system at a distance of more than three nautical miles from the nearest land; sewage which is not comminuted or disinfected has to be discharged at a distance of more than 12 nautical miles from the nearest land.

ANNEX V PREVENTION OF POLLUTION BY GARBAGE FROM SHIPS (entered into force 31 December 1988)

Deals with different types of garbage and specifies the distances from land and the manner in which they may be disposed of; the most important feature of the Annex is the complete ban imposed on the disposal into the sea of all forms of plastics.

ANNEX VI PREVENTION OF AIR POLLUTION FROM SHIPS (entered into force 19 May 2005)

Sets limits on sulphur oxide and nitrogen oxide emissions from ship exhausts and prohibits deliberate emissions of ozone-depleting substances; designated emission control areas set more stringent standards for SO_x, NO_x and particulate matter. A chapter adopted in 2011 covers mandatory technical and operational energy efficiency measures aimed at reducing greenhouse gas emissions from ships.

ENVIRONMENT – OUR STRATEGY FOR CLIMATE CHANGE & ENVIRONMENTAL SUSTAINABILITY



In recent years, the global community has become increasingly aware of the urgent need to combat climate change and safeguard our environment. Among the various sectors contributing to environmental degradation, maritime operations have been a focal point due to their significant carbon footprint and potential for ecological harm. To mitigate these impacts, stringent regulations and measures have been introduced to promote compliance and foster sustainability in the maritime industry. Here, we delve into five key areas crucial for achieving environmental stewardship in maritime activities:

1. Complying with EEXI and CII Regulations: The Energy Efficiency Existing Ship Index (EEXI) and Carbon Intensity Indicator (CII) regulations have been implemented by the International Maritime Organisation (IMO) to reduce greenhouse gas emissions from existing vessels and monitor the carbon intensity of ships. Shipowners and operators are required to comply with these regulations by optimising vessel efficiency, adopting alternative fuels, and investing in energy-saving technologies. By adhering to EEXI and CII standards, the maritime industry can significantly mitigate its environmental impact and contribute to global efforts to combat climate change.

2. Compliance with IHM Regulations: The Inventory of Hazardous Materials (IHM) regulations mandate the proper management and disposal of hazardous materials onboard ships to prevent environmental pollution and protect human health. Shipowners are obligated to conduct thorough IHM assessments, identify hazardous substances, and implement safe handling and disposal practices in accordance with IMO guidelines. Adhering to IHM regulations not only minimises environmental risks but also fosters a culture of responsible waste management within the maritime sector.

3. Ballast Water and Waste Management: The discharge of ballast water and improper waste management pose significant threats to marine ecosystems, introducing invasive species and pollutants into delicate habitats. To address these challenges, strict protocols for ballast water treatment and waste disposal have been established under international conventions such as the Ballast Water Management Convention and MARPOL Annex V. Implementing effective ballast water treatment systems and adopting sustainable waste management practices are essential for preserving marine biodiversity and ensuring the long-term health of our oceans.

4. Zero Spills or Discharges: Zero spills or discharges must be the ultimate goal for maritime operations to prevent oil spills, chemical leaks, and other hazardous incidents that can devastate marine environments and coastal communities. Comprehensive risk assessment, robust contingency planning, and stringent operational procedures are essential for minimising the likelihood of accidents and responding promptly and effectively in the event of an emergency. Embracing a zero-tolerance approach to spills and discharges reinforces the commitment of the maritime industry to environmental protection and sustainable development.

5. Control on Single-Use Plastics: Single-use plastics pose a significant threat to marine ecosystems, contributing to pollution, endangering marine life, and contaminating food chains. Recognising the urgency of this issue, regulatory bodies and industry stakeholders are increasingly implementing measures to restrict the use of single-use plastics onboard vessels. Strategies such as promoting reusable alternatives, implementing recycling programs, and enforcing strict waste reduction policies are crucial for mitigating the adverse impacts of single-use plastics and fostering a cleaner, healthier marine environment.

In conclusion, achieving environmental sustainability in maritime operations requires a comprehensive approach encompassing regulatory compliance, technological innovation, and a commitment to responsible stewardship. By embracing measures such as complying with EEXI and CII regulations, adhering to IHM requirements, implementing

effective ballast water and waste management practices, striving for zero spills or discharges, and controlling single-use plastics, the maritime industry can play a pivotal role in mitigating climate change and safeguarding our planet's precious ecosystems for future generations.



CONTINUOUS IMPROVEMENT OF OUR ENVIRONMENTAL PERFORMANCE

WE ARE FULLY COMMITTED TO FURTHER REDUCING ENERGY CONSUMPTION AND CO₂ EMISSIONS ACROSS ALL OUR OPERATIONS. EMISSIONS VARY FROM VESSEL TO VESSEL AND VOYAGE TO VOYAGE, FOR REASONS INCLUDING OPERATIONAL FACTORS, VESSEL LOAD AND WAITING TIMES IN PORTS.

To monitor the performance of individual ships and our fleet over time, among other measures, we use the Energy Efficiency Operational Indicator (EEOI) tool, as set out in the IMO Guideline MEPC.1/circ.684. Our EEOI analyses show that we have significantly reduced our carbon dioxide emissions per metric tonne of cargo moved on a per mile basis. To meet forthcoming EEXI compliance we are collaborating with engine builders like Hyundai and MAN ES to retrofit Engine Power Limiting Devices on our vessels as a short-term compliance solution and further opting for more greener technologies to upgrade our vessels to meet more stringent IMO future requirements.

As an ISO 9001:2015 certified company accredited by Bureau Veritas, GHN is committed to adhering to the requirements of the international management code for the safe operations of vessels, pollution prevention and environmental control including compliance with all the applicable international laws, regulations and requirements.

- GULFNAV'S VESSELS ROUTINELY MAINTAIN THE FOLLOWING CERTIFICATES IN COMPLIANCES WITH MARPOL:
- International Anti-Fouling Certificate
 - International Oil Pollution Prevention Certificate
 - International Ballast Water Management Certificate
 - International Sewage Pollution Prevention Certificate
 - International Air Pollution Prevention Certificate
 - Sanitation Control Certificate
 - Garbage Pollution Prevention Certificate
 - Certificate of Compliance for Inventory of Hazardous Materials
 - Confirmation of Compliance for DCS

GULFNAV endeavours to demonstrate its commitment to environmental protection and the effectiveness and the compliance of its Environmental Management System (EMS) with the MARPOL and ISO 14001 standards requirements. Furthermore, we follow the International Safety Management – ISM Code for safe ship operation and pollution prevention.

For this purpose, GULFNAV has established, documented, and implemented an Environment Management System designed to comply with the upmost national and international requirements.

CO₂ emission per distance
(Tons/Nautical mile):

0.272

CO₂ emissions per transport work
(grams/Tons * Nautical mile):

14.9364



CHALLENGES AND OPPORTUNITIES

While we have made significant progress in improving our marine environmental performance, we recognise that challenges remain. Ongoing compliance with evolving regulations, technological advancements, and changing market dynamics present both challenges and opportunities

for innovation and improvement. Addressing these challenges requires a proactive and collaborative approach, engaging stakeholders across the maritime industry to drive positive change and foster sustainable practices.



FUTURE DIRECTIONS

Looking ahead, we remain committed to advancing our environmental sustainability agenda and raising the bar for marine environmental performance. Embracing a culture of continuous improvement, we will leverage innovation, collaboration, and best practices to further reduce our

environmental impact and contribute to the preservation of marine ecosystems worldwide. By prioritising sustainability in all aspects of our operations, we will continue to lead by example and inspire others to join us in protecting our oceans for generations to come.



CONCLUSION

In conclusion, our annual sustainability report underscores our unwavering commitment to the continuous improvement of our marine environmental performance. Through innovation, collaboration, and a steadfast dedication to responsible practices, we are driving positive change and making meaningful contributions

to the preservation of marine ecosystems. As we look to the future, we remain steadfast in our commitment to sustainability, recognising the pivotal role we play in shaping a more sustainable and resilient maritime industry.

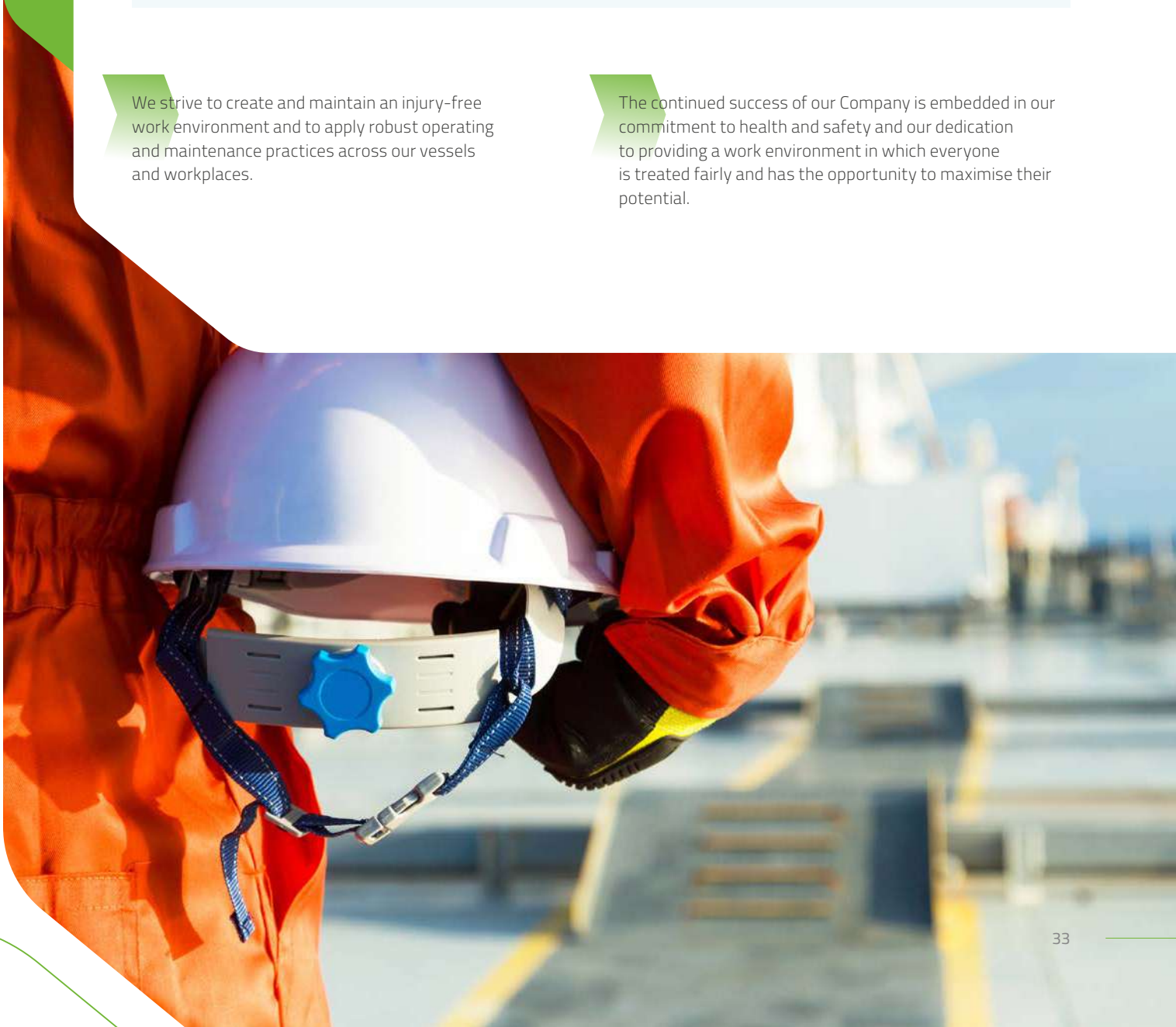
SOCIAL – SAFEGUARDING OUR PEOPLE



KEEPING OUR PEOPLE AND OPERATIONS SAFE DRIVEN BY OUR LEADERSHIP, SAFETY IS A FUNDAMENTAL VALUE AND PERSONAL RESPONSIBILITY FOR ALL GULFNAV EMPLOYEES, PARTNERS AND CONTRACTORS.

We strive to create and maintain an injury-free work environment and to apply robust operating and maintenance practices across our vessels and workplaces.

The continued success of our Company is embedded in our commitment to health and safety and our dedication to providing a work environment in which everyone is treated fairly and has the opportunity to maximise their potential.





HEALTH & SAFETY OBJECTIVES

GULFNAV recognises that the majority of its activities have a health and safety implication to be duly considered.

Health and safety aspect and impact of each single process are therefore duly accounted for when planning, developing and implementing procedures.

GULFNAV however recognises the benefit in formalising detailed health and safety objectives and target strategy which is to be measurable by formalised KPIs.

These objectives are intended to:

- provide for health and safe practices in ship operation and a safe working environment
- prevent injuries and ill health
- identify hazards capable of adversely affecting the health and safety of personnel
- establish safeguards against all identified risks
- measure the process and continuously improve the health and safety management skills of personnel ashore and onboard, including preparing for emergency related both to safety and environmental protection.

GULFNAV recognises well that compliance with mandatory rules and regulations and applicable code, guidelines and standard recommended by Organisation, Administrations, classification societies and other maritime industry organisations represent a step toward the compliance of above objectives and therefore all legal and other requirements are always screened against health and safety management manual, procedures and records.

This involves consultation with Employees over their involvement in workspace health and safety hazard identification, risk assessment, incident investigation, review OH&S policies and objectives and representation on Health and Safety matters.

This shall include consultation with contractors and other interested parties where there are changes that affect their OH&S status.

Certain process which can be better measured by the use of simplified key performance indicators are evaluated in detail, health and safety objective set up together with relevant targets, timely updated, person responsible identified and time frame established together with the evaluation of stakeholder point of view, technological solution available and business requirements.

FOLLOWING KPIS INHERITED FROM APPLICABLE RULES OR INDUSTRY STANDARDS ARE USED BY THE COMPANY AS TO MEASURE ITS POLICY EFFECTIVENESS AND SET TARGET FOR CONTINUOUS IMPROVEMENT:

- LTIF (lost time injury frequency)
- LTI (lost time injury)
- TRCF (total recordable case frequency)
- TRC (total recordable case)
- FAC (first aid case)
- UDAF (unannounced drug and alcohol test frequency)
- UDAPF (unannounced drug and alcohol test positive result frequency)
- Near Misses
- Incident
- SOMGF (signing off on medical grounds frequency)

Health and Safety KPI's are reviewed quarterly and the defined targets set at the beginning of the year are controlled for achievement. During the annual management review process the targets set for the year under review are compared with actual achievement, with the figures achieved used

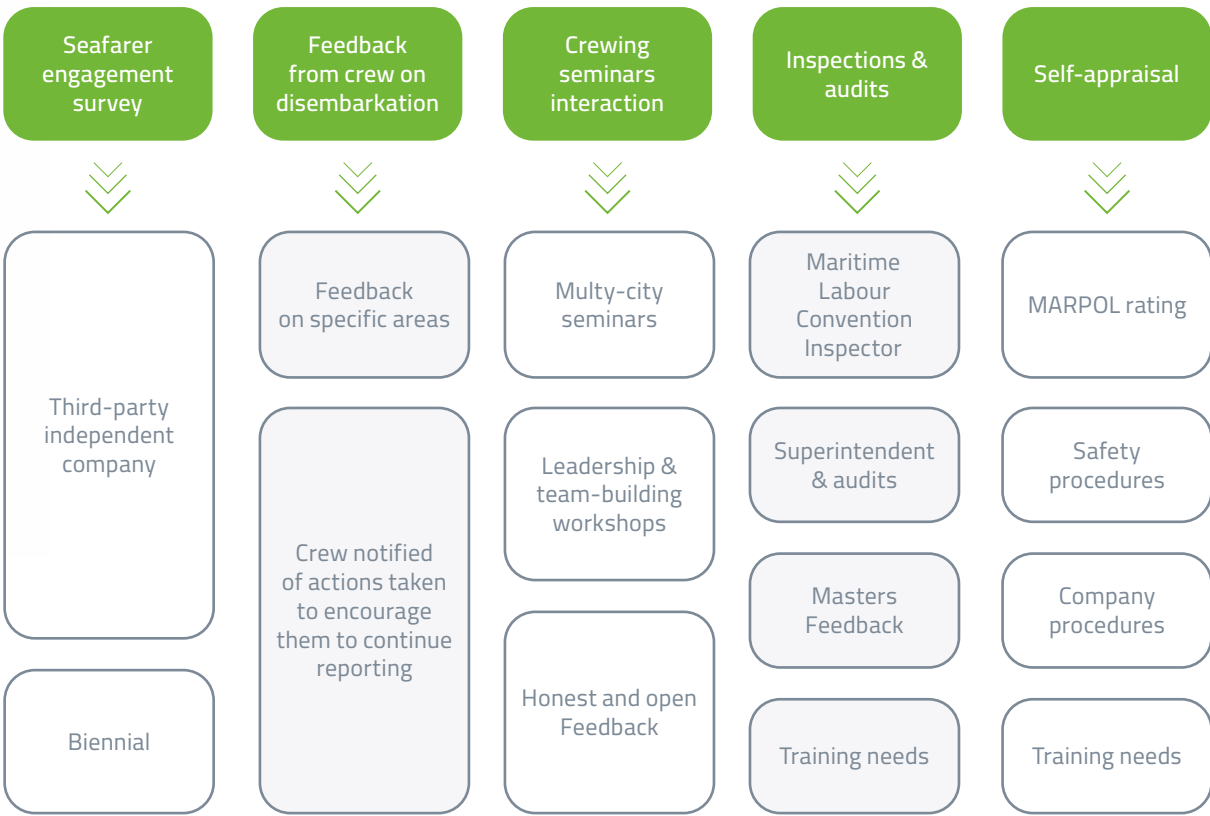
to drive continuous improvement in future. As part of the same process the objectives set for the year are controlled, any shortages highlighted, and objectives are set for the next year with the aim to continuously improve health and safety performance of the Company.

OCCUPATIONAL HEALTH & SAFETY PERFORMANCE FOR 2023



(Above figures are based on OCIMF Injury Reporting Guidelines).

INTERNAL PROCESSES SUPPORTING SAFETY ON BOARD



DIVERSITY & INCLUSION

Diversity is a strategic and competitive business advantage. Therefore, we strive to maintain a workplace that is inclusive, by building a more diverse workforce to seize opportunities from sharing innovative ways of thinking, which contribute to informed decision-making, and enhanced reputation. As a result, we seek out employment candidates from diverse backgrounds to provide us with the depth of talent, skill and potential to meet our goals.

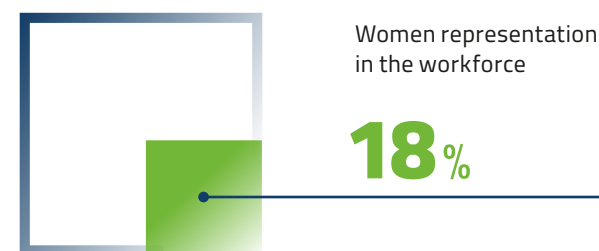
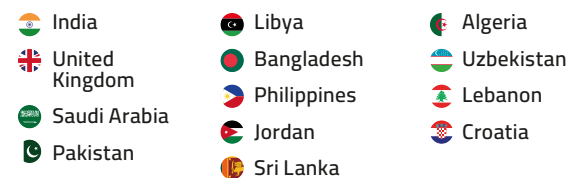
We are continuously assessing the implementation of more flexible work schedules to improve female employment. We provide employees with equal opportunities for progression and have an internal grievance procedure in place. This provides a pathway for employees and other external stakeholders we engage with to raise concerns related to any perceived discrimination which stands against our commitments to uphold diversity, equal opportunity, and non-discrimination.

An employee is entitled to file a complaint under GULFNAV's grievance procedure if they have been treated in any way that contradicts applicable legislation, their employment contract, the HR policy or have been subjected to prejudicial treatment. The grievance procedure has defined steps that are communicated to all employees. Based on the case, the HR department and Senior Management may get involved.

GULFNAV recognises and endorses the requirement of the Standards of Training, Certification and Watchkeeping (STCW) Convention and considers that these requirements are the minimum for all seafarers appointed to managed ships. We ensure that the right people are employed in the right positions with the right Work Instructions. Appropriate Training shall be given to all employees in order to enable them to perform to the best of their abilities. They shall be well-informed with current, best Industry practices.

DIVERSITY OF WORKFORCE

13 nationalities represented



ANTI-CORRUPTION

Corruption undermines social and economic development. It destabilises the business environment, adds to the cost of participating in global trade. It affects external confidence as well as company morale. Non-compliance with legislation on bribery and corruption may lead to legal and reputational risks, extra costs, inefficiencies in our business, fines, imprisonment and ultimately debarment from markets.

At GULFNAV we aim to eliminate corruption in the maritime industry through both multi-stakeholder collaboration and actions in our own operations.

Our target for 2020 onwards is to comply with legislation on anti-corrupt practices, which ultimately translates to zero bribery and elimination of facilitation payments.

We work to combat bribery, fraud and preferential treatment, by performing due diligence of agents, joint venture partners, key suppliers, and M&A targets prior to signing a contract or entering a new market. Expectations to all employees are outlined in GULFNAV's Code of Conduct. We enforce rules on travel, meals, lodging and entertainment, and employees complete training on compliance.

HUMAN RIGHTS

Human rights are a pre-condition for freedom and dignity for people, for rule of law and for inclusive and sustainable growth on which we depend as a business. Respect for human rights is rooted in our values and key to our license to operate from employees, customers, investors, communities, governments and other stakeholders.

Regulation of corporate human rights is on the rise, including reporting and mandatory due diligence requirements. We support effective and balanced regulation that promotes a global level playing field for responsible business.

At GULFNAV we do our best to ensure that we prevent and address adverse human rights impacts associated with our business activities. Our commitment to human rights due diligence is incorporated into our Company Code of Conduct.

With these new codes and directives, we are better prepared to monitor progress and performance up against international standards. Furthermore, we continue to assess potential ethical aspects of our use of new technologies.

PIRACY & SECURITY

The threat of piracy and hijacking of commercial vessels at sea has been on the agenda of ship operators. An important aspect of this is that a ship's onboard information technology and operational technology systems can be hacked just as easily as systems ashore, potentially causing considerable harm to the safety and security of ships, ports and marine facilities.

Adopting proper measures to protect our business systems through cyber security and to prevent attacks and hijacking of our commercial vehicles is important to GULFNAV. Our Security Information Policy has been developed to protect GULFNAV's information assets – both in digital and non-digital format. It details the minimum requirements and responsibilities for all our employees to ensure confidentiality and data privacy is maintained, as well as how to report data security incidents.

We also have an IT Management Policy which defines the requirements for managing GULFNAV's information technology assets throughout the entire lifecycle.

GULFNAV is committed to providing all employees ashore and onboard ships with a safe and secure work environment where no one is subject to unnecessary risk. We also ensure that all ships under our management are always in compliance with the current requirements of ISPS Code and any security guidelines as set out by the Flag States and Regulatory bodies.

To strive for the most secure environment for our personnel and assets we are collaborating with leading firms like Ambrey Security that is updating us with the latest security and piracy news.

EMERGENCY PLANS

GULFNAV has policies and procedures in place to be ready at all times to deal with all emergencies in a satisfactory manner.

To achieve this, the following policies are implemented:

- Adequate, qualified and experienced manpower
- A properly equipped Contingency Room in the Office
- Efficient means of communication

- Up-to-date Contingency plans, SMPEP/SOPEP, VRP and California VCP, Panama Canal SOPEP etc., as applicable.

As a precautionary measure we always seek to avoid high-risk areas, use high-pressure water nozzle and install razor wire to prevent unauthorised embarkation.

Fortunately, there were no information security breaches, as well as no cases of piracy in 2023.

GOVERNANCE

TIMELY & TRANSPARENT REPORTING



TO MAINTAIN THE TRUST AND CONFIDENCE OF OUR SHAREHOLDERS AND INVESTORS, IT IS VITAL THAT WE ACT RESPONSIBLY AND CONDUCT OUR BUSINESS ACTIVITIES WITH TRANSPARENCY AND INTEGRITY.

Our approach is built on an integrated corporate governance framework¹ with clear accountability channels, transparency requirements and independence thresholds. GULFNAV's Board of Directors and Board Committees oversee the strategies, plans and policies of the Company.

Adopting and implementing the corporate governance framework is a primary objective of both the Board of Directors and the executive management; which helps to ensure compliance with the applicable rules, and regulations, transparency, disclosures, increase shareholder value, protect/safeguard the interest of stakeholders and mitigating business risks appropriately.

GULFNAV has fully adopted and implemented the relevant corporate governance rules as set out by Securities and Commodities Authority (SCA), And the Chairman of the Authority's Board of Directors' Decision No. (3/Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide (and its amendments).

¹ For more details on our corporate governance framework (including Board of Directors, Board Committees and Executive Compensation) please refer to our comprehensive 2023 Corporate Governance Report available on our website.

> www.gulfnav.com

GHN – CORPORATE GOVERNANCE STRUCTURE

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the overall management of the Company. The Company Articles of Association sets out the way and method of election and composition of Board and the number of its members, as well as their term of office in compliance with governance requirements and applicable Commercial Companies

Law. Board members are elected and appointed by the shareholders during the General Assembly meeting (GAM). The Board is also vested with Board authorities to attain the Company's goals and objectives in accordance with the Company's Article of Association.

BOARD COMMITTEES

The Board is empowered to establish Board committees and to delegate powers to such committees as necessary or appropriate. The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities. Board committees are an effective way to distribute work between Board members and allow for more detailed consideration of specific matters. All the Board committees are functioning on behalf of the Board and the Board will be responsible for constituting, assigning, co-opting and fixing terms of service for Board committee members.

AUDIT COMMITTEE

The Audit Committee is responsible for governance and internal control matters including audit, compliance and risk management in accordance with its obligations set out in Article (49) (Duties of the Audit Committee) of SCA Resolution No. 7. It reviews financial statements, oversees the Group's Enterprise Risk Management objectives and guides the work of the Internal Audit Department.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee assists the Board in discharging its responsibilities in relation to qualifications, compensation, appointment and succession of the Company's Directors and key management personnel. The Committee oversees the Company's nomination process for the Board of Directors and continuously monitors the independency of the independent members of the Board.

INSIDERS' TRADING, FOLLOW-UP AND SUPERVISION COMMITTEE

The Board of Directors formed the "Insiders' Trading, Follow-Up and Supervision Committee, for the purpose of maintaining records and submitting periodic statements and reports to the market.

INVESTORS' RIGHTS¹

The legislation in force in the UAE grants shareholders and market participants many rights and benefits, particularly the shareholders' right in the company whose shares are traded on the market to ownership and the transfer thereof, to the dividends distributed by the company and to the proceeds in case the company goes into liquidation. They also have the right to take part in the decision-making process within the company in which they hold shares by attending and voting at the company's General Assemblies as well as electing and dismissing the Board members.

Shareholders also have the right to monitor the company's management by accessing information and data on the company's performance, holding the Board of Directors accountable, asking the company's auditor questions. They also have the right to raise complaints to the relevant authorities against any party/parties of DFM in the case of a valid justification or harm to the investor.

SHAREHOLDER RIGHTS

Participate in the Company ownership, assets and reserves when the Company goes into liquidation.

Participate in the Company management by exercising their rights to vote during the Company's General Assembly (voting is based on the number of securities).

Obtain their annual share dividends.

Sell securities on the market.

¹ For more details, please refer to "The Investors Rights & Responsibilities" Booklet published by DFM and posted on our website.



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CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES DURING 2023

a) Gulf Navigation Holding PJSC (referred hereafter as "GULFNAV" or "Company") has fully adopted and implemented the relevant corporate governance rules as set out by Securities and Commodities Authority (SCA), And the Chairman of the Authority's Board of Directors' Decision No. (3/ Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide (and its amendments).

b) Adopting and implementing the corporate governance framework is a primary objective of both the Board of Directors (BoD) and the executive management, which helps to ensure compliance with the applicable rules, and regulations, transparency, disclosures, increase shareholder value, protect/safeguard the interest of stakeholders and mitigating business risks appropriately.

c) GULFNAV is fully committed to apply the corporate governance standards and other related best practices which have been diligently compiled and documented via "Corporate Governance Manual", duly approved by the executive management and BoD. This manual governs the activities/functions of the Company and lays down clear framework, roles and responsibilities of the BoD and its Committees, relationship between the BoD and executive management including the delegations/powers to run the business, code of conduct, external auditors, internal controls environment, investor relations, etc.

d) GULFNAV rigorously adopts the required procedures/ steps which bolsters the corporate governance mechanism within the Group, such as (excerpts):

1. Amendment of Articles of Association (AoA), where applicable.
2. Implementation of Corporate Governance Manual.
3. Board Committees as per the corporate governance requirements.
4. The Board and its Committees have adhered to the required number of meetings (including the duties and responsibilities) as the Chairman of the Authority's Board of Directors' Decision No. (3/ Chairman) of 2020 Concerning Approval of Joint Stock Companies Governance Guide (and its amendments).
5. Procedures pertaining to the trading of Company's securities have also been developed and followed in-line with the SCA guidelines.
6. Code of conduct for the BoD and employees have been developed and implemented.
7. Confidential reporting policy exists whereby staff can directly communicate potential misconducts/ malpractices.
8. Annually, each Board Member acknowledges/declares his independency, board positions held in other companies and GULFNAV shares trading transactions.
9. Company website exists with dedicated "investor relations sections", where all the financial statements, disclosures, press releases, etc. are readily available for the stakeholders.

BOARD OF DIRECTORS



The appointment, roles and responsibilities of the Board of Directors of Gulf Navigation Holding PJSC (the “Board” or “Board of Directors”) are outlined in DSI’s Articles of Association (“AoA”).

BOARD COMMITTEES



The Board is empowered to establish Board committees and to delegate powers to such committees as necessary or appropriate. The Board delegates certain functions to well-structured committees but without abdicating its own responsibilities. Board committees are an effective way to distribute work between Board members and allow for more detailed consideration of specific matters. All Board committees are functioning on behalf of the Board and the Board will be responsible for constituting, assigning, co-opting and fixing terms of service for Board committee members.

NOMINATION AND REMUNERATION COMMITTEE



The Nomination and Remuneration Committee assists the Board in discharging its responsibilities in relation to qualifications, compensation, appointment and succession of the Company’s Directors and key management personnel. The Committee oversees the Company’s nomination process for the Board of Directors and continuously monitors the independency of the independent members of the Board.

INSIDERS’ TRADING, FOLLOW-UP AND SUPERVISION COMMITTEE

The Board of Directors formed the “Insiders’ Trading, Follow-Up and Supervision Committee”, for the purpose of maintaining records and submitting periodic statements and reports to the market.

POLICY FOR SECURITIES ISSUED BY GULF NAVIGATION HOLDING (INSIDER TRADING)

At GULFNAV, there are set of guidelines for Board Members and employees with respect to transactions in GULFNAV shares as well as securities of the Parent Company, subsidiaries and associate companies (where applicable). This policy is reviewed periodically as part of Company’s Corporate Governance Manual and revised in accordance with the latest/updated versions of the SCA’s “Regulations as to Disclosure and Transparency” (where applicable).

As per the policy, an employee who is familiar with the important, confidential/undisclosed information which may have an impact on the market share price has been classified under the category of “Restricted Person”. Accordingly, Board Members and Company employees are not allowed to trade in GULFNAV securities during blackout period (or restricted period) as defined by the SCA rules and regulations.

BOARD MEMBERS’ SHARES TRANSACTIONS/DEALINGS DURING 2023

(INCLUDING FIRST DEGREE RELATION)

BOARD OF DIRECTORS’ DEALINGS/TRANSACTIONS IN THE COMPANY SECURITIES

Board members are required to disclose their shares trading activities (including first degree relations) on an annual basis, through a pre-defined template/form.

During the year 2023, GULFNAV securities transactions of each Board Member (and their first degree relative) were as follows:

Name of Board Member	Position/ Relationship	Total No. of shares Purchased	Total No. of shares Sold	No. of Shares Held as at 31 Dec 2023
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	Chairman of the Board	n/a	n/a	n/a
Mr. Mohamed Abdulrahman Mir Abdulwahid Amiri	Vice Chairman	n/a	n/a	n/a
Dr. Abdul Rahman Al Afifi	Board Member	n/a	n/a	n/a
Dr. Khalifa Saif Jumaa Saif Almehairbi	Board Member	n/a	n/a	n/a
Mr. Mazen Jaber Hamdan Basheer Al Dahmani	Board Member	n/a	n/a	n/a
Ms. Muhrah Al Ali	Board Member	4,913	n/a	4,913
Mr. Saif Salem Khalifa Alrashdi	Board Member	n/a	n/a	n/a
RESIGNED MEMBERS (AS AT AUGUST 18, 2023)				
Eng. Abdulla Subhi Atatreh	Vice Chairman	n/a	3,405,000	–
Mr. Omar Saeed Alromaithi	Board Member	n/a	n/a	n/a
Ms. Manwa Ala Al Brich	Board Member	n/a	n/a	3,500,000
RESIGNED MEMBERS (AS AT AUGUST 31, 2023)				
Dr. Abdulaziz Fahad H. Alongary	Board Member	n/a	n/a	n/a
RESIGNED MEMBERS (AS AT NOVEMBER 17, 2023)				
Mr. Ahmad Kilani	Board Member	60,000	3,810,000	–

Trading Report obtained from DFM.

FORMATION OF BOARD OF DIRECTORS

COMPOSITION OF THE BOARD OF DIRECTORS

The Board of Directors is responsible for the overall management of the Company. The Company Articles of Association sets out the way and method of election and composition of Board and the number of its members, as well as their term of office in compliance with governance requirements and applicable Commercial Companies Law. Board members are elected and appointed

by the shareholders during the General Assembly meeting (GAM); this is either after completing their membership period stipulated by law or as a result of any other cases stipulated by law. The Board is also vested with authorities to attain the Company's goals and objectives in accordance with the Company's Articles of Association.

Name of Member/s	Board Position	Type/Nature of Membership	Date of Appointment	End of Term
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	Chairman	Non-Executive/Independent	28 April 2022	–
Mr. Mohamed Abdulrahman Mir Abdulwahid Amiri	Vice Chairman	Non-Executive/Independent	11 Sep 2023	–
Dr. Abdul Rahman Al Afifi	Board member	Non-Executive/Independent	28 April 2022	–
Dr. Khalifa Saif Jumaa Saif Almehairbi	Board member	Non-Executive/Independent	11 Sep 2023	–
Mr. Mazen Jaber Hamdan Basheer Al Dahmani	Board member	Non-Executive	11 Sep 2023	–
Ms. Muhrah Al Ali	Board member	Non-Executive/Independent	20 Sep 2023	–
Mr. Saif Salem Khalifa Alrashdi	Board member	Non-Executive/Independent	25 Dec 2023	–
Ms. Manwa Ala Al Brich ¹	Board member	Non-Executive/Independent	28 April 2022	13 July 2023
Mr. Omar Saeed Alromaithi ¹	Board member	Non-Executive/Independent	28 April 2022	18 Aug 2023
Eng. Abdulla Subhi Atatreh ¹	Vice Chairman	Non-Executive/Independent	28 April 2022	18 Aug 2023
Dr. Abdulaziz Fahad H. Alongary ¹	Board member	Non-Executive/Independent	28 April 2022	31 Aug 2023
Mr. Ahmad Kilani ²	Board Member / Managing Director	Executive	28 April 2022	17 Nov 2023

¹ Resigned Board Member.
² Mr. Ahmad Kilani resigned from his position as Board Member/Managing Director to focus on his new role as the Chief Executive Officer of the Company.

THE COMPOSITION/QUALIFICATION AND PROFILE OF BOARD MEMBERS:

H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan

CHAIRMAN OF THE BOARD

His Highness graduated from the United Arab Emirates University in 2004 with a bachelor's degree in Architectural Engineering. He entered the field of commerce and business administration upon graduation from university and manages his father's businesses and properties.

He currently holds several positions, including:

- Vice Chairman of Abu Dhabi Insurance Company
- Chairman of City Land Group
- Chairman of Tamakkan Real Estate
- Chairman of the Board of Trustees of Al Ain University

Mr. Mohamed Abdulrahman Mir Abdulwahid Amiri

VICE CHAIRMAN MEMBER OF THE AUDIT COMMITTEE

Mr. Mohamed Amiri is a UAE National with expertise in Business Development, strategic planning, and driving change. Proven track record in innovation, exceptional performance, and forging strategic partnerships. Mr. Amiri has more than 30 years of experience, working with Ajman Bank, HSBC, Dubai Islamic Bank and Dubai Bank.

Mr. Amiri holds a bachelor's degree in Management Information Systems and a Graduate from the first batch of the Mohammad Bin Rashid Program for Leadership Development (MBRPLD).

Dr. Abdul Rahman Mahmoud Al Afifi

BOARD MEMBER CHAIRMAN OF THE AUDIT COMMITTEE CHAIRMAN OF THE INSIDERS' TRADING FOLLOW-UP AND SUPERVISION COMMITTEE MEMBER OF THE NOMINATION & REMUNERATION COMMITTEE, CEO OF H.H. SHEIKH TAHNOON BIN MOHAMMED AL NAHYAN'S OFFICE

Dr. Al Afifi is an entrepreneur and driven Chief Executive, with more than ten (10) years of progressive management experience. He has extensive experience with highly management systems, which require deep understanding of critical business drivers in multiple markets and industries; highly successful in building relationships with upper-level decision-makers, seizing control of critical problem areas, and delivering on customer commitments. As GM/CEO of H.H Sheikh Tahnoon Bin Mohammed Al Nahyan's Office, Dr. Al-Afifi achieved year-after-year revenue and business growth objectives within a rapid-change environment with high professionalism in strategic and implementation planning and guiding and directing the organisation through substantial change management utilising strong and effective strategic leadership. To become a recognised example with proven strong ability to solve complex company problems using excellent judgement and decision-making skills.

Dr. Al Afifi is presently working as the CEO of TMKN Group – Abu Dhabi. Under Private Office of H.H. Sheikh Tahnoon Bin Mohammad Al Nahyan, he is working to manage and direct all business units of TMKN group of companies; Champions the introduction of quality, cost reduction and continuous best practices to drive market growth; and he has full responsibility for approving business plan and growth strategy, defining offerings and delivery models, establishing partnerships, and building operating infrastructure; develops vision, mission and goals, identify profitability and revenue opportunities, define critical goals and success factors, establish clear objectives and practical action plans, foster innovation and risk-taking, build teams, and establish relationships with vendors and partners. Manages a team of different business units, product managers, business development specialists, and operations/logistics personnel.

Dr. Al Afifi has been appointed to the privet office of H.H. Sheikh Tahnoon Bin Mohammed Al Nahyan. He has been an Architectural Engineer and project manager for years. He has been able to manage strategic plans and develop work plans efficiently and professionally. He completed his MBA from UAE University (Al Ain) and his PhD in Project Management from the British University in Dubai. He is also a Member of the Board of Trustees of Al Ain University.

Dr. Khalifa Saif Jumaa Saif Almehairbi

BOARD MEMBER CHAIRMAN OF THE NOMINATION & REMUNERATION COMMITTEE

Dr. Khalifa Saif Al Mehairbi is a young and ambitious Emirati citizen, whose personality combines the spirit of adventurous youth and the experience of experienced traders and investors. Khalifa is The Chairman of Arabian Gulf Investment Group and its subsidiaries, one of the fastest growing companies in the Gulf and North Africa region.

Dr. Al Mehairbi has achieved great success in concluding massive and successful deals that have effectively contributed to supporting the national economy, developing the Company's business, and expanding in all investment fields.

Current positions held by Mr. Al Mehairbi:

- Member of the Executive Committee of the UAE International Investors Council
- Founder and Chairman of The Luxury Villa Real Estate Management Company
- Chairman of the Board of Directors of MKI International Real Estate Investment Company
- Chairman of the Board of Directors of Gulf Expo Construction & Trading Company
- Chairman of the Board of Directors of Kingson Amai Real Estate Investment Company

His Awards and Achievements

- Honorary Doctorate in International Economics from London University
- Middle East Real Estate Man from the International Investment Forum 2021
- Shield of the most leading real estate institution in regional companies
- Arab Real Estate Man of the Year 2021
- Real Estate Man in the Middle East and North Africa from the Emirates Investments Magazine for the year 2022

Mr. Mazen Jaber Hamdan Basheer Al Dahmani

BOARD MEMBER MEMBER OF THE AUDIT COMMITTEE

Mr. Mazen Jaber Hamdan Aldahmani has been the Executive Director of Financial and Administrative Affairs at the Department of Community Development ("DCD") since November 2020, during which time he has demonstrated his abilities as a talented and respected leader. He is also a member of more than 10 committees within DCD and Abu Dhabi government. Prior to that, he held various positions in Mubadala, and Imperial College London Diabetes Centre including Deputy CEO and Acting CEO.

During his time as Deputy Chief Executive Officer, Aldahmani took on the overall leadership of the organisation with over 600 employees; expanded the organisation through the successful opening of a third branch; significantly surpassed financial and quality targets; and guided the organisation to achieving the highest patient volumes since the establishment of the ICLDC.

Aldahmani also worked at the Mubadala Investment Company from 2006 to 2014, progressing from a Project Officer – Aerospace, Healthcare and Technology Unit to Senior Associate – Mubadala Healthcare Unit in that time frame.

Aldahmani is a graduate of London Business School, where he attained his Executive MBA. He holds a bachelor's of Information Technology from the UAE University.

Ms. Muhrah Al Ali

BOARD MEMBER MEMBER OF THE NOMINATION & REMUNERATION COMMITTEE

Muhrah Al Ali is currently an Executive Office Manager at Ethmar International Holding (EIH), with specialisation background in the design engineering field with previous experience in the management of both local and international events.

Mr. Saif Salem Khalifa Alrashdi

BOARD MEMBER

Saif Al Rashidi is the COO of Capital Protocol (Part of ADNEC Group). His strong academic background, leadership skills, experience, and insights into local and international business have enabled him to significantly contribute to ADNEC's development into one of Abu Dhabi's most dynamic organisations. During his tenure as Protocol Director, the Company has hosted Abu Dhabi's largest ever congress and events, and he has played an integral role in defining ADNEC's revised patronage strategy and protocol vision.

He currently holds several positions, including:

- Board member of the UAE Wrestling Federation.
- Board member of the Disciplinary Appeal Committee of the UAE Football Association.

Al Rashdi holds an MBA Degree from NYIT Abu Dhabi and a bachelor's degree from California State University – San Bernardino, USA. He has also graduated with two degrees at the National Defence College in Abu Dhabi: the NDC completed certificate and a second master's certificate.

Eng. Abdulla Subhi Atatreh¹

VICE CHAIRMAN CHAIRMAN OF THE NOMINATION & REMUNERATION COMMITTEE

Eng. Abdulla Atatreh is highly experienced businessman who started his career in 2000 upon the real estate boom in Dubai. His first ventures were in real estate, but he started engaging in diverse sectors in 2011 including insurance, contracting, shipping and other sectors. Eng. Atatreh has a bachelor's degree in civil engineering from United Arab Emirates University and a master's degree in management from Al Ain University of Science and Technology.

Eng. Atatreh is a Board Member in Drake & Scull International PJSC, a Board Member in Dar Al Marefah Commercial Investment, and a Board Member in Anan Investment Holding (Private Join-Stock Company). He is also an active member of the Board of Trustees at Al Ain University of Science & Technology (AAU).

Mr. Ahmad Kilani²

BOARD MEMBER/MANAGING DIRECTOR CHAIRMAN OF THE AUDIT COMMITTEE

Ahmad Kilani is a well-versed finance professional with an overall experience of more than 20 years in finance, investment banking and corporate finance, in regional and local firms. The experience of Ahmad Kilani is diversified among sectors of energy, real estate, trading, manufacturing, construction, education and tourism. Throughout his career, Ahmad Kilani managed several transactions including IPOs, mergers and acquisitions, private placements, restructuring and equity valuations.

He currently holds several positions, including:

- Board Member of Drake & Scull International PJSC.
- Member of the Board of Trustees of Al Ain University
- Board Member of Black Marlin Ship Management and Operations

Dr. Abdulaziz Fahad H. Alongary³

BOARD MEMBER MEMBER OF THE NOMINATION & REMUNERATION COMMITTEE

Dr. Alongary holds a bachelor's degree from the United States of America in 1996 and in 2001 he obtained a doctorate degree in business administration.

He currently serves as a Vice-Chairman of Anan Investment Holding (Private Join-Stock Company), a board member and partner in a group of Saudi companies such as Bunyan Holding Company in Riyadh, BITS – Digital Solutions Company, Industrial Construction Technology Company in Riyadh, and Advanced Solutions for Special Needs based in the United States of America. Dr. Alongary has practical experience in many commercial and real estate sectors and has contributed to establishing many commercial companies and has extensive experience in many sectors.

¹ Eng. Abdulla Atatreh resigned from his position as Vice Chairman on 18 August 2023.

² Mr. Ahmad Kilani resigned from his position as Board Member/Managing Director on 17 November 2023 to focus on his new role as the Chief Executive Officer of the Company.

³ Dr. Abdulaziz Alongary resigned from his position as Board Member on 31 August 2023.

Mr. Omar Saeed Alromaithi¹

BOARD MEMBER
MEMBER OF THE AUDIT COMMITTEE

Mr. Omar Alromaithia graduated from the University of Tampa in the US, with a bachelor's in Management Information Systems. Mr. Alromaithi has more than 20 years of experience in Management Information Systems and managing technical projects and worked for several years as a Senior Protocol Officer at Diwan Sheikh Sultan Bin Zayed Al Nahyan. Mr. Alromaithi currently serves as the Head of Marketing in Abu Dhabi Sport Council. He also serves as a Board member in Takaful Emarat PSC.

Ms. Manwa Alaa Al Brich²

BOARD MEMBER
MEMBER OF THE NOMINATION AND REMUNERATION COMMITTEE

Ms. Manwa Al Brich graduated from the American University in Dubai before studying post-graduate Art and Archaeological Studies at the University of Sorbonne, Paris. She completed her education at the House of Sotheby's in London, gaining deep experience in international trade.

The membership of the Board of Directors in any other joint stock companies

Name of GULFNAV Board member	Board membership in other public shareholding Co.
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	Vice Chairman of Abu Dhabi Insurance Company
Eng. Abdulla Atatreh	Board Member in Drake & Skull International PJSC
Mr. Ahmad Kilani	Board Member in Drake & Skull International PJSC
Mr. Omar Alromaithi	Board Member in Takaful Emarat PSC

Their positions in any other important regulatory, governmental or commercial positions

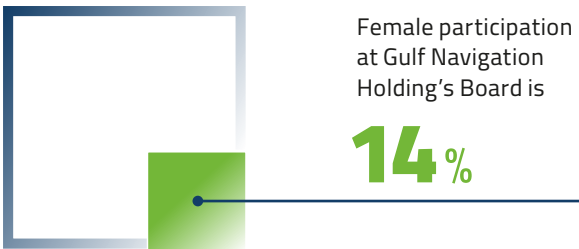
Name of GULFNAV Board member	Other important regulatory, government or commercial positions.
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	Chairman of City Land Group Chairman of Tamakkan Real Estate
Dr. Khalifa Almehairbi	Member of the Executive Committee of the UAE International Investors Council Chairman of the Board of Directors of MKI International Real Estate Investment Company Chairman of the Board of Directors of Gulf Expo Construction & Trading Company Chairman of the Board of Directors of Kingson Amai Real Estate Investment Company
Mr. Saif Alrashdi ³	Board Member of the UAE Wrestling Federation Board Member of the Disciplinary Appeal Committee of the UAE Football Association
Eng. Abdulla Atatreh ³	Board Member in Anan Investment Holding (Private Join-Stock Company) Board member in Dar Al Marefah Commercial Investment
Dr. Abdulaziz Fahad H. Alongary ³	Vice-Chairman of Anan Investment Holding (Private Join-Stock Company) Board Member of Bunyan Holding Company in Riyadh
Mr. Ahmad Kilani ³	Board Member of Anan Investment Holding (Private Join-Stock Company)

¹ Mr. Omar Saeed Alromaithi resigned from his position as Board Member on 18 August 2023.

² Ms. Manwa Al Brich resigned from her position as Board Member on 13 July 2023.

³ Resigned BOD Member.

PERCENTAGE OF FEMALE REPRESENTATION IN THE BOARD FOR 2023



REASONS FOR NOT NOMINATING ANY FEMALE TO THE BOARD'S MEMBERSHIP

Not applicable as female participation at Amanat's Board is 14%.

STATEMENT REGARDING:

DIRECTORS' REMUNERATION FOR THE YEAR 2022

The Board of Directors received 1,400,000 dirhams for their efforts during the year 2022.

PROPOSED BOD REMUNERATION FOR 2023 WHICH WILL BE PRESENTED IN THE GENERAL ASSEMBLY MEETING FOR APPROVAL

- To be discussed in the General Assembly scheduled to be held in April 2024.
- A monthly/annual bonus is allocated to the person who occupies the position of Managing Director in the Company, in return for his/her efforts in managing the Company.

ALLOWANCES FOR ATTENDING BOARD COMMITTEE MEETINGS, DURING THE YEAR 2023

- The Board of Directors did not receive any attendance fee/allowance for the Board and Committee meetings in 2023.

DETAILS OF THE ADDITIONAL ALLOWANCES, SALARIES OR FEES RECEIVED BY A BOARD MEMBER OTHER THAN THE ALLOWANCES FOR ATTENDING THE COMMITTEES AND THEIR REASONS

- An amount of 1,050,000 dirhams has been determined as additional allowance, for the Board of Directors for their additional efforts exerted in improving the Company's position, after reviewing the financial needs of the Company and submitting the matter to the Board of Directors for approval, then submitting it to the next General Assembly for ratification and approval.

THE NUMBER OF BOARD MEETINGS HELD DURING THE YEAR 2023, ALONG WITH DATES/ATTENDANCE & PROXIES

Board Members	Meetings Held in Person									
	16/01/2023	03/02/2023	22/03/2023	09/05/2023	02/06/2023	13/07/2023	18/08/2023	20/09/2023	02/10/2023	
H.H. Sheikh Theyab Bin Tahnoon Bin Mohammad Al Nahyan	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Eng. Abdulla Subhi Atatreh	✓	✓	✓	✓	✓	✓	✓	Resigned	Resigned	
Mr. Ahmad Kilani	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Dr. Abdulaziz Fahad H. Alongary	✓	✓	✓	✓	✓	✓	✓	Resigned	Resigned	
Dr. Abdul Rahman Al Afifi	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Ms. Manwa Ala Al Brich	✓	✓	✓	✓	Absent	Resigned	Resigned	Resigned	Resigned	
Mr. Omar Saeed Alromaithi	✓	✓	✓	✓	✓	✓	✓	Resigned	Resigned	
Mr. Mohamed Abdulrahman Mir Abdulwahid Amiri	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	
Dr. Khalifa Saif Jumaa Saif Almehairbi	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	
Mr. Mazen Jaber Hamdan Basheer Al Dahmani	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓	
Ms. Muhrah Al Ali	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	
Mr. Saif Salem Khalifa Alrashdi ¹	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	

THE NUMBER OF BOARD RESOLUTIONS PASSED BY CIRCULATION DURING 2023

3 resolutions were passed by circulation on the following dates:

31 March 2023 16 October 2023 25 December 2023

¹ Mr. Saif Salem Khalifa Alrashdi was appointed as a Board Member on 25 December 2023.

COMMITTEES OF THE BOARD OF DIRECTORS

AUDIT COMMITTEE

“Dr. Abdul Rahman Al Afifi, Audit Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness.”

STATEMENT OF AUDIT COMMITTEE MEMBERS AND THEIR TASKS/DUTIES

The Audit Committee is composed of the following members as of 31 December 2023:

Name of Board Members	Position	Status
Dr. Abdul Rahman Al Afifi	Chairman	Independent/Non-Executive Director
Mr. Mohamed Amiri	Member	Independent/Non-Executive Director
Mr. Mazen Al Dahmani	Member	Non-Executive Director

THE PRIMARY TASKS OF THE AUDIT COMMITTEE INCLUDE:

INTERNAL CONTROL, RISK MANAGEMENT AND REGULATORY COMPLIANCE

1. Review the Company's financial controls, internal controls and risk management system/framework.
2. Discuss the Internal control system with the management and to ensure that it is operating effectively.
3. Compliance with the listing and disclosure rules as issued by SCA (including other applicable rules and regulations).

REVIEW OF FINANCIAL INFORMATION

1. Ensure integrity of the financial statements while emphasising any changes to the accounting policies and practices, aspects subject to judgement or estimation, substantial adjustments resulting from the audit, going concern and, compliance with International Financial Reporting Standards.
2. Consider any significant and unusual matters to be reported in the financial statements and to address concerns raised by the Head of Finance & Accounts, Compliance Officer or External Auditors.
3. Review the Company's financial and accounting policies and procedures.
4. Ensure compliance with the listing rules and other legal requirements in relation to financial reporting.
5. Review annual and quarterly financial statements before recommending to the Board for approval.

RELATIONSHIP WITH THE EXTERNAL AUDITORS

1. Monitor the independence of the External Auditor and to discuss with the External Auditor the nature, scope and efficiency of the audit in accordance with generally-accepted auditing standards.
2. To ensure that significant findings and recommendations made by the External Auditors and management's proposed responses are received, discussed and appropriately acted on.
3. To develop and implement policy on the engagement of an External Auditor to provide non-Audit services, if any, to ensure that provision of such services would not impair the independency and objectivity of the External Auditor.
4. Adopt a policy on dealing with the External Auditor and reporting/recommend to the Board any issues that require action on the part of the Board.
5. Meet with the External Auditors on a periodic basis.
6. Review and consider (and respond) to any correspondence or queries received from the External Auditor.
7. Review and recommend the appointment, re-appointment, or replacement of an External Auditor.
8. Review and approve the remuneration and term of engagement of the External Auditor.

NUMBER OF AUDIT COMMITTEE MEETINGS HELD DURING THE YEAR 2023 ALONG WITH THE DATES/ATTENDEES

Audit Committee Meetings held during 2023				
Name of Board Member	31/03/2023	12/05/2023	13/07/2023	16/10/2023
Dr. Abdul Rahman Al Afifi – Committee Chairman	✓	✓	✓	✓
Mr. Mohamed Amiri – member ¹	n/a	n/a	n/a	✓
Mr. Mazen Al Dahmani – member ¹	n/a	n/a	n/a	✓
Mr. Ahmad Kilani – Committee Chairman ²	✓	✓	✓	n/a
Mr. Omar Saeed Alromaithi – member ²	✓	✓	✓	n/a

¹ New Audit Committee members were appointed, as per the 8th BOD meeting held on 20 September 2023.

² Resigned BOD Member.

NOMINATION AND REMUNERATION COMMITTEE ("NRC")

"Dr. Khalifa Saif Jumaa Saif Almehairbi, NRC Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness."

STATEMENT OF NRC MEMBERS AND THEIR TASKS/DUTIES

The NRC is composed of the following members as of 31 December 2023:

Name of NRC Members	Position	Status
Dr. Khalifa Almehairbi	Chairman	Independent/Non-Executive Director
Dr. Abdul Rahman Al Afifi	Member	Independent/Non-Executive Director
Ms. Muhrah Al Ali	Member	Independent/Non-Executive Director

THE PRIMARY TASKS OF THE NRC ARE AS FOLLOWS:

- Verification of ongoing independence of independent Board members.
- Formulation and annual review of the policy on granting remunerations, benefits, incentives and salaries to Board members and employees.
- Determination of Company's need for resource and basis of selection.
- Formulation, supervision of application and annual review of Company's HR and training policy
- Organisation and follow-up procedure of nomination to the membership of the Board.

NUMBER OF NRC MEETINGS HELD DURING THE YEAR 2023 ALONG WITH DATES/ ATTENDEES

NRC Meetings held during 2023				
Name of Board member	31/03/2023	01/05/2023	07/09/2023	02/10/2023
Dr. Khalifa Almehairbi – Committee Chairman ¹	n/a	n/a	n/a	✓
Dr. Abdul Rahman Al Afifi – member ¹	n/a	n/a	n/a	✓
Ms. Muhrah Al Ali – member ¹	n/a	n/a	n/a	✓
Eng. Abdulla Atatreh – Committee Chairman	✓	✓	✓	n/a
Ms. Manwa Ala Al Brich – member	✓	✓	Resigned	n/a
Dr. Abdulaziz Alongary – member	✓	✓	✓	n/a

¹ New NRC members were appointed, as per the 8th BOD meeting held on 20 September 2023.

INSIDERS' TRADING, FOLLOW-UP AND SUPERVISION COMMITTEE

At GULFNAV, there are set of guidelines for Board members and employees with respect to transactions in GULFNAV shares as well as securities of the Parent Company, subsidiaries and associate companies (where applicable). This policy is reviewed periodically as part of Company's Corporate Governance Manual and revised in accordance with the latest/updated versions of the SCA's "Regulations as to Disclosure and Transparency" (where applicable). As per the policy, an employee who is familiar with the important, confidential/undisclosed information which may have an impact on the market share price has

been classified under the category of "Restricted Person". Accordingly, Board members and Company employees are not allowed to trade in GULFNAV securities during blackout period (or restricted period) as defined by the SCA rules and regulations.

The Company has formed a committee with senior management employees to review and monitor the insiders' shares trading (of Board members and employees) on an annual basis (or when needed).

"Dr. Abdulrahman Al Afifi, Insiders' Trading, Follow-Up and Supervision Committee Chairman, acknowledges his responsibility for the committee system in the Company, review of its work mechanism and ensuring its effectiveness."

THE COMMITTEE COMPRISES OF 3 MEMBERS:

- Dr. Abdulrahman Al Afifi – Chairman
- Mr. Yazan S. Maragha – Board Secretary – Member¹
- Mr. Nader Muqbel – Director of Investor Relations & Corporate Communications – Member

THE FOLLOWING TASKS HAVE BEEN PERFORMED BY THE COMMITTEE DURING THE YEAR 2023:

- Maintenance and regular update of a statutory register of insiders.
- Formally intimate the insiders of the relevant closed periods to ensure that no trading is done by them during restricted periods.
- Obtained declaration from the insiders and the other staff on their shares trading, on an annual basis.

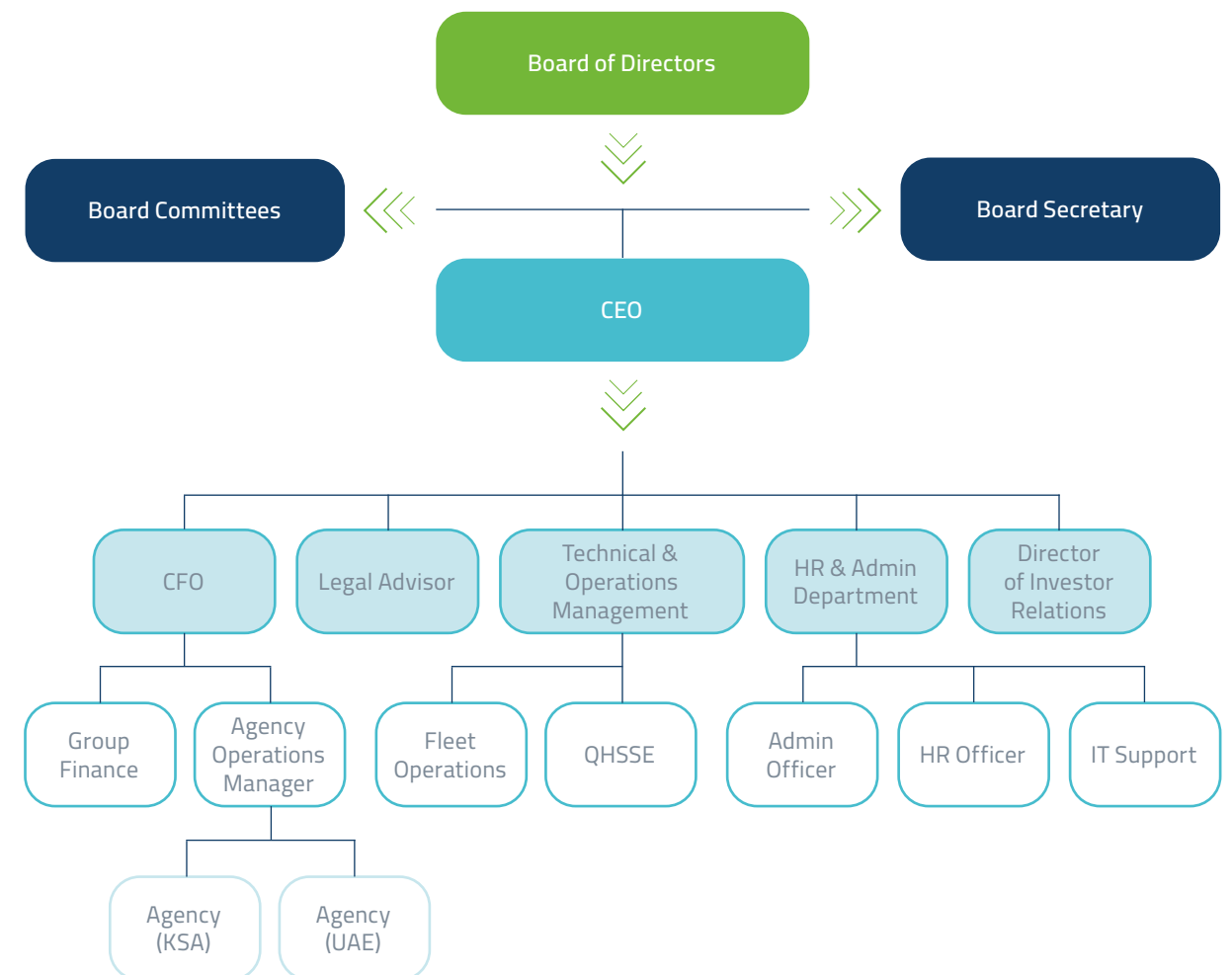
TASKS AND FUNCTIONS CARRIED OUT BY THE EXECUTIVE MANAGEMENT AS DELEGATED BY THE BOARD OF DIRECTORS DURING 2023

The Company's Articles of Association shall determine the duties and responsibilities of the Board of Directors, and the Board of Directors takes the necessary procedures to ensure compliance with applicable laws, regulations, and resolutions, as well as the requirements of the supervisory authorities; and adopting the strategic approaches and main objectives of the Company and supervising implementation thereof. Where the Board of Directors appointed member of the Board, Mr. Ahmad Kilani, as a Managing Director in the Company and granted him the authority to perform his duties. The main tasks assigned to the Managing Director are summarised in the implementation of the vision, mission, strategic plans, annual plans, improving overall growth and elevating the reputation of Gulf Navigation Holding. Noting that Mr. Ahmed Kilani resigned from his position as a Board Member/Managing Director on November 17, 2023, to devote himself to the duties of CEO. The board granted him the aforementioned authorities to perform his duties.

STATEMENT FOR RELATED PARTY TRANSACTIONS

The Company did not enter into transactions with related parties during 2023.

COMPANY'S ORGANISATIONAL STRUCTURE



STATEMENT OF SENIOR PERSONNEL (EXECUTIVES) IN THE FIRST AND SECOND TIER, ALONG WITH THEIR JOB TITLES, APPOINTMENT DATE, SALARIES AND ALLOWANCES AS AT 31 DECEMBER 2023

Senior Management team: which is formed of 6 members, and their total remuneration is AED 5.4M which includes Salaries, Allowances and Bonuses.

¹ Mr. Yazan S. Maragha resigned from his position on November 20, 2023.

EXTERNAL AUDITORS

OVERVIEW OF THE EXTERNAL AUDITOR

Grant Thornton was appointed by the shareholders through the General Assembly Meeting held on 30 April 2023, as the external auditor for the Company. And Dr. Osama El-Bakry, the Grant Thornton partner, was appointed as their representative and responsible for the Company's accounts.

Grant Thornton has been operating in the UAE for more than 55 years, and has 3 offices in the country, with 450 employees, in addition to its wide-spread around the world. The number of its offices is 750 and it has approximately 62,000 employees, and it provides its services to many economic sectors.

APPOINTMENT, FEES AND SERVICES

The shareholders resolved on 30 April 2023 to appoint Grant Thornton as the external auditors for GULFNAV, with a total remuneration amounting to AED 250,000.

and recommendation from the Audit Committee and Board of Directors. The appointment of the external auditors (firms/fees) are eventually approved by the shareholders through the General Assembly Meeting.

On an annual basis, the Company requests quotation/ proposal from different audit firms and formal evaluation (technical/financial) is conducted before nominating the external auditors for the next year, including review

Details about the external audit firms, fees and scope of services are briefly explained in the table below:

Audit Firms/Consultants	Grant Thornton
Associated since (year)	2023
Total audit fees for the financial statement	250,000
Fees and costs of the special services, other than audit of financial statements	n/a
The details/nature of other services	n/a
Statement of other services obtained from another external auditors/ consultants	MMJS Consulting were appointed as VAT Consultant for KSA branch VAT submission

Qualified opinions were not issued/given by the auditors for the financial period 2023.

INTERNAL CONTROLS SYSTEMS

BOARD'S RESPONSIBILITY WITH RESPECT TO THE INTERNAL CONTROLS' SYSTEM, ITS EFFECTIVENESS AND REVIEW MECHANISM

- The board has the overall responsibility for ensuring adequate internal control systems/framework within the Company.
- Board reviews the Internal Control deliverables through Audit Committee – highlighting matters discussed and resolutions passed after each meeting of Audit Committee in terms of internal audit assignments, audit follow-ups, special assignments, compliance audit, risk management and governance.
- Establish mechanism for employees to communicate irregularities discovered by them (whistleblowing/ confidential reporting).
- Conduct special assignments/investigations as per the requests from the Board.
- Perform independent overview/analysis over the financial statements and present the same to the executive management and the Audit Committee along with the audit inputs/comments, variance justifications and commentaries.

DEALING WITH MAJOR/CRITICAL PROBLEMS IN THE COMPANY

- During the year 2023, no major/critical audit observations were noted.
- Major/critical issues (if any) are being immediately discussed and reported to the Audit Committee and Senior Management (where appropriate). Periodic follow-up of these issues is carried out to ensure that they are implemented in accordance with the directions of the Board/Committees.

NAME OF THE INTERNAL CONTROL DEPARTMENT MANAGER WITH THE QUALIFICATION

The Company did not appoint an Internal Control Department Manager in 2023.

NAME OF THE COMPLIANCE OFFICER WITH THE QUALIFICATION

Mrs. Rajasree Ravivarma assumed her duties of compliance with the Company on 3 November 2022 replacing the previous compliance officer. Mrs. Ravivarma has more than 12 years of experience working various reputable law firms. She possesses exceptional knowledge and proficiency in Employment, Real Estate, Commercial and Corporate laws. Noting that Mrs. Rajasree is no longer working with the Company as of 1 November 2023.

NUMBER OF REPORTS ISSUED BY THE INTERNAL CONTROL DEPARTMENT TO THE COMPANY'S BOARD OF DIRECTORS:

No reports were issued by the Internal Control Department.

VIOLATIONS COMMITTED DURING THE FINANCIAL YEAR 2023

- Gulf Navigation Holding Company PJSC, represented by its current Board of Directors and its executive management, has always been keen not to violate any regulatory guidelines, and even to correct any violations that were previously committed, which resulted in it **not receiving any violations for the year 2023**.

COMPANY'S CASH AND/OR IN-KIND CONTRIBUTION TO THE LOCAL COMMUNITY DEVELOPMENT AND ENVIRONMENTAL CONSERVATION DURING THE YEAR 2023

- No contribution made in 2023.

GENERAL INFORMATION

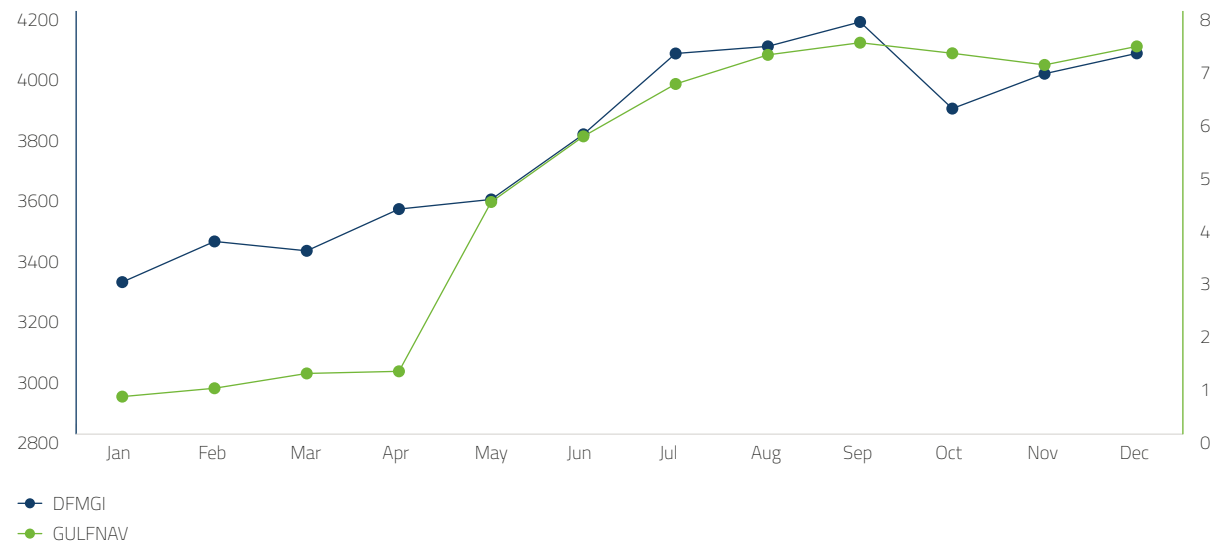
COMPANY SHARE PRICES (HIGH/LOW/CLOSING) AT THE END OF EACH MONTH DURING 2023

Months (2023)	High (AED)	Low (AED)	Closing Price (AED)
January	0.726	0.675	0.712
February	0.890	0.712	0.870
March	1.150	0.864	1.150
April	1.300	1.090	1.190
May	4.640	1.170	4.390
June	6.000	4.290	5.630
July	6.750	5.370	6.620
August	7.360	6.580	7.170
September	7.480	6.810	7.400
October	7.500	6.950	7.200
November	7.250	6.980	6.980
December	7.380	6.970	7.330

Above data has been obtained from DFM.



PERFORMANCE OF COMPANY SHARES AGAINST DUBAI FINANCIAL MARKET GENERAL INDEX (DFMGI) FOR THE YEAR 2023



Above data has been obtained from DFM.

Note: comparison cannot be effectively performed within industry sector index as GULFNAV is the only maritime and shipping company listed on the DFM.

DISTRIBUTION OF THE SHAREHOLDING STRUCTURE

as of 31 December 2023

Ownership/Citizen	Individual	Bank	Company	Institution	Government	Market Maker	Total
Arab	4.16%	–	0.01%	–	–	–	4.17%
GCC	2.21%	–	0.43%	–	–	–	2.64%
UAE	20.33%	4.16%	35.66%	0.08%	–	1.54%	61.77%
Others/Foreign	1.26%	–	30.16%	–	–	–	31.42%
Total	27.96%	4.16%	66.26%	0.08%	–	1.54%	100%

Above data has been obtained from DFM. [Total – rounded off]

TOP 5% AND ABOVE SHAREHOLDING

as on 31 December 2023

Individual/Group Investors (Shareholders)	Qty Owned (No.)	Qty Owned (%)
Poseidon Fund CEIC Limited	200,000,000	23.88%
Ajman Bank PJSC	45,453,627	5.42%
Global Equity Investment – Sole Proprietor	50,384,283	6.01%

Above data has been obtained from DFM.

SHAREHOLDING DISTRIBUTION BASED ON VOLUME

as on 31 December 2023

Share Ownership Volume (Qty)	No. of Shareholders	No. of Shares Owned (Qty)	% of Owned Shares in the Company Capital
Less than 49,999	10,259	24,264,396	2.9%
50,000–499,999	272	41,937,510	5%
500,000–4,999,999	85	135,448,778	16.17%
Above 5,000,000	26	636,044,941	75.93%
Total	10,642	837,695,625	100%

Above data has been obtained from DFM.

INVESTOR RELATIONS

The officer in charge of investors' relations and shareholder communications for the Company is Mr. Nader Muqbel.

The Shareholders are able to contact and obtain necessary information about the Company (and shares) from the Investor Relations Manager via:

Telephone: +971 4 4270104
Fax: +971 4 4270103
Mob: +971 5 67780799

Email: investor.relations@gulfnav.com
Website: www.gulfnav.com
Link: <https://www.gulfnav.com/investors>

The Company's website also features an 'investors relation' section, whereby stakeholders can have easy access to the financial statements, governance reports, annual reports, Company disclosures, general assembly meetings, board meetings, unclaimed dividends list, etc.

GENERAL ASSEMBLY – SPECIAL RESOLUTIONS DURING 2023 AND ITS IMPLEMENTATION STATUS

SPECIAL DECISIONS AND RESOLUTIONS OF THE GENERAL ASSEMBLY MEETING HELD ON MAR 31, 2023

1. Reviewed and approved the Company's Board of Directors report which indicates the Company's capital restructuring plan including the capital reduction and the capital increase and indicating the use of proceeds of the capital increase and the mechanism in dealing with the remaining accumulated losses.
2. Discussed and approved the Company's auditor's report regarding losses, its origin, the mechanism of treating such losses, and the auditing position.
3. Approved 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 on a pro-rata basis to absorb the accumulated losses amounting to AED 637,695,625 so that the Company's capital becomes AED 637,695,625 instead of AED 1,275,391,250.00 noting that the Company will fully use the legal or optional reserves to absorb part of the losses, then the remaining losses will be absorbed from the share capital and approved granting the Board the full authority to take all actions required to implement and execute the Capital Reduction pursuant to the provisions of the of the Federal Decree by Law number 32 of 2021 concerning Commercial Companies (as amended) ("CCL") and the executive regulations of the Securities and Commodities Authority ("SCA").
4. The General Assembly didn't approve the increase of the share capital of the Company through rights issue.
5. Approved the 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 837,695,625 as contrary to AED 637,695,625 after the completion of the Capital Reduction procedures subject to obtaining the necessary approvals from the regulators, and approved granting the Board the full authority to take all actions required to implement and execute the Capital Increase pursuant to the provisions of the CCL and the executive regulations of SCA and to sign on all documents related to the MCBs.

6. Approved amending the current dividend distribution method from annual distributions to semi-annual distributions and accordingly to amend Article 15 of the Articles of Association of the Company to reflect the same.
7. Approved amending Article 6 of the Articles of Association of the Company to reflect the changes in the Company's capital (i.e. the Capital Reduction and subsequently the Capital Increase).
8. Authorised the Company's Board and any person authorised by the Board of Directors to undertake all necessary procedures and steps to allow the Company to complete the Capital Reduction and Capital Increase, including making the required amendments to the Articles of Association of the Company and to sign on the amendment contracts of the Articles of Association and any document relating to the Capital Reduction and the Capital Increase and to deal with all governmental entities and authorities in this regard.
9. Approved the Arbitration clause mentioned in the Agreements/Resolutions of the refinancing procedures with Jiangsu Financial Leasing Co., Ltd after ratifying it, with granting the board of directors or any of them with all the necessary powers needed.

SPECIAL DECISIONS AND RESOLUTIONS OF THE GENERAL ASSEMBLY MEETING HELD ON 30 APRIL 2023

1. Unanimously approved the continuity of the Company's activities in accordance with the provisions of Article (302) of the Companies Law No. 2 of 2015 and its amendments.

SPECIAL DECISIONS AND RESOLUTIONS OF THE GENERAL ASSEMBLY MEETING HELD ON 11 SEPTEMBER 2023

1. The General Assembly did not approve the issuance of 220 million mandatory convertible bonds or Sukuk ("MCBs") 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 837,695,625 as contrary to AED 637,695,625 and offering such bonds or Sukuk to shareholders and new investors for subscription, with a priority allocation to the shareholders and then to the new investors.
2. The General Assembly did not approve the issuance of the MCBs referred to in 1 above to shareholders and new investors for subscription, and the allocation will be made on a pro-rata basis among all of them.
3. Approved ratifying and continuing the implementation of all the resolutions approved by the previous General Assembly despite the changes that have occurred in the market value per the Company's share due to the reduction of capital and other reasons and to issue 220 million mandatory convertible bonds

- or Sukuk ("MCBs") to new investors only 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 837,695,625 as contrary to AED 637,695,625 and to approve granting the Board the full authority to take all actions required to implement and execute the Capital Increase pursuant to the provisions of the CCL and the executive regulations of SCA and to sign on all documents related to the MCBs.
4. The General Assembly approved amending Article 6 of the Articles of Association of the Company to reflect the changes in the Company's capital.
5. The General Assembly approved authorising the Company's Board and any person authorised by the Board of Directors to undertake all necessary procedures and steps to allow the Company to complete the Capital Increase, including making the required amendments to the Articles of Association of the Company and to sign on the amendment contracts of the Articles of Association and any document relating to the Capital Increase and to deal with all governmental entities and authorities in this regard.

NAME AND APPOINTMENT OF BOARD SECRETARY WITH THE QUALIFICATION

Ibrahim.N.Partners ("INP") were appointed to the position of Secretary of the Board of Directors, succeeding Mr. Yazan Maraghah, who submitted his resignation on November 20, 2023.

INP is a local law firm with a regional footprint working across the Middle East region. Led by their UAE office Managing Partner, Ahmed Ibrahim, their lawyers are experts in advising on all aspects of UAE laws. Their UAE offices are also well-placed to provide local legal support across the GCC.

SIGNIFICANT EVENTS DURING THE YEAR 2023 (EXCERPTS)

Mar 22

The General Assembly approved 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 on a pro-rata basis to absorb the accumulated losses amounting to AED 637,695,625 so that the Company's capital becomes AED 637,695,625 instead of AED 1,275,391,250.00.

Mar 22

The General Assembly approved the private issuance of 220 million mandatory convertible bonds 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 837,695,625 as instead of AED 637,695,625.

Mar 22

The General Assembly approved amending the current dividend distribution method from annual distributions to semi-annual distributions.

Apr 27

The Company completed the sale of Gulf Mushrif vessel for \$27 million.

May 19

The Company completed the process of reducing the Company's capital to 637,695,625 AED instead of 1,275,391,250.00 AED.

Jun 08

The Company agreed to a deal to sell 5 million treasury shares, achieving net proceeds for the Company of 17 million dirhams.

Jul 13

Ms. Manwa Al Brich resigned from her position as Board Member.

Aug 18

Engr. Abdulla Atatreh and Mr. Omar Al Romaithi resigned from their position as Board Members.

Aug 31

Dr. Abdulaziz Alongary resigned from his position as Board Member.

Sep 11

The General Assembly Elected and appointed the following new Board members of the Board of Directors:

- Mr. Khalifa Saif Jumaa Saif Almehairbi/ Independent
- Mr. Mazen Jaber Hamdan Basheer Al Dahmani/ Non-executive
- Mr. Mohamed Abdulrahman Mir Abdulwahid Amiri/Independent

Sep 14

The Company issued 220 million Mandatory Convertible Sukuk to new investors.

Sep 20

The Board of Directors appointed Ms. Muhrah Al Ali as a Board Member.

Sep 20

The Board of Directors elected Mr. Mohamed Amiri as Vice Chairman.

Oct 02

The Board of Directors appointed Mr. Ahmad Kilani as CEO.

Oct 02

The Company announced its intention to acquire the assets and companies owned by Brooge Energy Limited.

Oct 11

The Company completed the conversion of 220 million mandatory convertible Sukuk 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 837,695,625 as instead of AED 637,695,625.

Nov 17

Mr. Ahmed Kilani resigned from his position as a Board Member/Managing Director to devote himself to the duties of CEO.

Dec 12

The Company set up a new Joint Venture with Scorpio Services Holding Limited under the name Black Marlin Ship Management & Operation L.L.C.

Dec 25

The Board of Directors appointed Mr. Seif Al Rashidi as a Board Member.

Dec 27

The Company acquired 40% of the Turkish Polimar Holding Company's stake in Gulf Navigation Polimar Maritime Thus, increasing its stake from 60% to 100%. The total value of the acquisition deal was \$1 million.

➤ All material information/press release/disclosures are also being timely published to the SCA/DFM and Company website, please refer in case of further details.

STATEMENT OF MAJOR TRANSACTIONS EXCEEDING 5% WITH RELATED PARTIES IN 2023

In 2023, the Company was not involved in any transaction that was equal to or exceeding 5% of the Company's share capital.

PERCENTAGE OF EMIRATISATION AT THE COMPANY BY THE END OF 2023

During the year 2021, the Company did not employ any UAE National.

During the year 2022, the Company did not employ any UAE National.

During the year 2023, the Company did not employ any UAE National.



STATEMENT OF THE INNOVATIVE PROJECTS UNDERTAKEN BY THE COMPANY (OR UNDER DEVELOPMENT) DURING 2023

At GULFNAV, we are deeply committed to environmental stewardship and recognise the critical importance of reducing carbon emissions in the maritime industry. As part of our dedication to sustainability, we have spearheaded several innovative projects aimed at mitigating our carbon footprint and advancing the transition to a greener maritime sector.

- One of our pioneering initiatives involves the adoption of selection coating for the propellers across all our vessels.
- We have invested to explore the feasibility of using drone operation in the port's operations.
- We are actively integrating cutting-edge technologies to optimise vessel performance and enhance fuel efficiency.
- We are also advocating for the development of international regulations and incentives to promote sustainable shipping practices.
- We installed modern and advanced devices for engines that would reduce energy use and reduce fuel consumption in excess of the actual requirement for ships so that the fleet conforms to the specifications stipulated by the International Maritime Organisation with regard to the carbon intensity index (EXXI & CII).

Chairman of the Board of Directors

Date: 29/03/2024

Chairman of the Audit Committee

Date: 29/03/2024

Chairman of the Nomination and Remuneration Committee

Date: 29/03/2024

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CONSOLIDATED FINANCIAL STATEMENTS

CFO'S MESSAGE

CHARTING A SUSTAINABLE FINANCIAL FUTURE



Dear Shareholders, Stakeholders, and Valued Team Members,

I am pleased to present the financial section of the Integrated Report for GULFNAV in 2023, a pivotal year in our journey through the dynamic petrochemical shipping industry. As

Chief Financial Officer, it is my honour to share the financial insights that underpin our achievements and highlight the strategic initiatives that have fuelled our success.

FINANCIAL RESILIENCE AMIDST TURBULENCE

As we navigate the ever-changing seas of the maritime industry, it is imperative that we remain steadfast in our commitment to sustainability and financial resilience. I am proud to share our vision for a sustainable financial future that not only ensures the success of our company but also contributes positively to the environment and society at large. Our robust financial performance is a testament to the dedication and adaptability of our team, as well as our commitment to sound financial management practices. GULFNAV remained focused on financial discipline and strategic cost management.

KEY FINANCIAL HIGHLIGHTS

Revenue Growth: Despite market fluctuations, we achieved a commendable growth in net profit, driven by strategic partnerships and operational efficiency.

Cost Management: Our rigorous cost rationalization initiatives have ensured operational efficiency, allowing us to navigate cost challenges effectively.

Liquidity and Solvency: GULFNAV maintains a healthy balance sheet, with strong liquidity and solvency positions. This ensures our ability to seize new opportunities and weather unforeseen challenges.

STRATEGIC INVESTMENTS AND FLEET EXPANSION

GULFNAV continues to invest strategically in our fleet, technology, and talent. With our recent partnerships and alliances coupled with prudent financial management, we are positioning Gulf Navigation Holding PJSC for continued success in the years to come. By diversifying our revenue streams and optimizing our cost structure, we are strengthening our financial resilience and mitigating risks in an increasingly volatile market.

OUTLOOK FOR THE FUTURE

As we chart the course for the coming year, GULFNAV remains focused on innovation, sustainability, and client satisfaction. We are optimistic about the opportunities that lie ahead and are well-prepared to navigate the evolving landscape of the petrochemical shipping industry.

I extend my gratitude to our shareholders, dedicated team members, and valued stakeholders for their unwavering support. Together, we will continue to set sail towards new horizons, confident in our ability to overcome challenges and achieve sustainable growth.

Sincerely,

Ali Abouda
Chief Financial Officer

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

INDEPENDENT AUDITOR'S
REPORT TO THE SHAREHOLDERS
OF GULF NAVIGATION
HOLDING PJSC



Grant Thornton

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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

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.

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, 2023. 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
Impairment of goodwill The Group’s consolidated statement of financial position includes AED 143,463 thousand of goodwill, representing 14% of total Group assets. In accordance with IFRS, 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. 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.	We performed the following: ■ Checked the mathematical accuracy of the impairment model used for impairment testing, and the extraction of inputs from source documents; ■ 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; ■ Engaged our internal specialists to assist us in reviewing the methodologies applied including estimates and judgments made by management; ■ Considered the sensitivity of the impairment testing model to changes in key assumptions; and ■ Assessed the adequacy of the related disclosures in the consolidated financial statements.
Impairment of vessels As disclosed in Note 6 to the consolidated financial statements, the Group’s consolidated statement of financial position includes AED 516,101 thousand of vessels, representing 52% of total Group assets. In accordance with IFRS, 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. This is a key audit matter because the Group has generated negative cash flows from its operating activities during the year ended December 31, 2023 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.	We performed the following: ■ Checked the mathematical accuracy of the impairment model used for impairment testing, and the extraction of inputs from source documents; ■ Reviewed the reasonableness of the key assumptions used in the impairment model, including the operating cash flow projections, discount rates, and terminal growth rates; ■ Engaged our internal specialists to assist us in reviewing the methodologies applied including estimates and judgments made by management; ■ Considered the sensitivity of the impairment testing model to changes in key assumptions; and ■ Assessed the adequacy of the related disclosures in the consolidated financial statements.

COMPARATIVE INFORMATION

Without qualifying our opinion, we draw attention to Note 31 to the consolidated financial statements, which indicates that the comparative information presented as at December 31, 2022 has been restated.

As part of our audit of these consolidated financial statements, we audited the adjustments described in Note 31 that were applied to restate the comparative information presented as at December 31, 2022.

The consolidated financial statements of the Group as at and for the year ended December 31, 2022, excluding the adjustment described in Note 31 to the consolidated financial statements, were audited by another auditor who expressed a modified opinion on those statements on April 3, 2023 with respect to gains from treasury shares recognized in profit or loss.

OTHER MATTER

At the General Assembly Meeting of the Company that was held on April 30, 2023, the shareholders approved the consolidated financial statement of the Group as at and for the year ended December 31, 2022 but did not approve the auditor’s report and did not discharge the auditor for the fiscal year ended December 31, 2022.

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. We have obtained the Board of Directors’ Report prior to the date of our 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.

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 and their preparation 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance 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:

- i) We have obtained all the information we considered necessary for the purposes of our audit;
- ii) 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;
- iii) The Company has maintained proper books of account in accordance with established accounting principles;
- iv) The financial information included in the Board of Directors' Report is consistent with the books of account of the Company;
- v) The Group's investments in shares and stocks during the year ended December 31, 2023 are disclosed in Note 11 to the consolidated financial statements;
- vi) Notes 21 to the consolidated financial statements discloses material related party transactions and the terms under which they were conducted;

- vii) 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, 2023, 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, 2023; and
- viii) There were no social contributions made during the financial year ended December 31, 2023.

Grant Thornton UAE
Dr. Osama El Bakry
Registration No. 935
Dubai, United Arab Emirates
March 30, 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2023

	Notes	2023 AED'000	2022 AED'000 (Restated ¹)
ASSETS			
Non-current assets			
Vessels, property and equipment	6	516,211	587,121
Goodwill	7	143,463	143,463
Total non-current assets		659,674	730,584
Current assets			
Inventories	8	9,084	7,966
Trade and other receivables	10	23,144	17,796
Financial assets at fair value through profit or loss	11	100,379	-
Cash and bank balances	12	210,059	28,271
Total current assets		342,666	54,033
Total assets		1,002,340	784,617
EQUITY AND LIABILITIES			
Equity			
Share capital	13	837,696	1,275,391
Share premium	13, 15	35,734	8,452
Treasury shares	15	(96,281)	(24,045)
Statutory reserve	14	2,128	19,747
Accumulated losses		(2,570)	(679,159)
Other reserves	16	(181,071)	(181,071)
Total equity		595,636	419,315

¹ Refer to Note 31 for details regarding prior year restatement.

	Notes	2023 AED'000	2022 AED'000 (Restated ¹)
Non-current liabilities			
Interest-bearing borrowings	17	94,163	157,889
Provision for employees' end-of-service benefits	19	1,255	1,211
Total non-current liabilities		95,418	159,100
Current liabilities			
Interest-bearing borrowings	17	25,684	75,434
Islamic non-convertible sukuk	18	-	34,983
Bank overdraft	12	180,187	-
Trade and other payables	20	105,415	95,785
Total current liabilities		311,286	206,202
Total liabilities		406,704	365,302
Total equity and liabilities		1,002,340	784,617

These consolidated financial statements were approved and authorised for issue by the Board of Directors on March 29, 2024 and were signed on its behalf by:

Dr. Abdul Rahman Al Afeefi
Board Member

Mr. Ahmad "M.F." A. Al Kilani
Chief Executive Officer

Mr. Ali Abouda
Chief Financial Officer

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	2023 AED'000	2022 AED'000 (Restated ¹)
Revenue	22	105,534	137,229
Direct costs	23	(95,921)	(116,747)
Gross profit		9,613	20,482
General and administrative expenses	24	(26,731)	(13,416)
Other operating income	6	24,834	-
Operating profit		7,716	7,066
Other non-operating income, net	25	33,426	20,393
Finance costs	26	(22,534)	(33,245)
Finance income		2,667	-
Profit / (loss) before tax		21,275	(5,786)
Income tax		-	(1,830)
Profit / (loss) for the year		21,275	(7,616)
ATTRIBUTABLE TO:			
Owners of the Company		21,275	(7,428)
Non-controlling interests		-	(188)
		21,275	(7,616)
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:			
Basic and diluted (AED)	27	0.023	(0.006)

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

¹ Refer to Note 31 for details regarding prior year restatement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED DECEMBER 31, 2023

	2023 AED'000	2022 AED'000 (Restated ²)
Profit / (loss) for the year	21,275	(7,616)
Other comprehensive income for the year	-	-
Total comprehensive income / (loss) for the year	21,275	(7,616)
TOTAL COMPREHENSIVE INCOME / (LOSS) ATTRIBUTABLE TO:		
Owners of the Company	21,275	(7,428)
Non-controlling interests	-	(188)
	21,275	(7,616)

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

² Refer Note 31 for details regarding prior year restatement.



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2023

	Attributable to the Owners of the Company								Non-controlling interests AED'000	Total AED'000
	Share capital AED'000	Share premium AED'000	Treasury shares AED'000	Statutory reserve AED'000	Accumulated losses AED'000	Other reserves AED'000	Mandatory Convertible Bonds and Sukuk AED'000	Total AED'000		
Balance as at January 1, 2022	1,019,209	-	-	19,747	(671,543)	(2,724)	-	364,689	10,148	374,837
Treasury shares (Note 15) (Restated ¹)	-	8,452	(24,045)	-	-	-	-	(15,593)	-	(15,593)
Liability holders issued Mandatory convertible bonds ("New Bond") (Note 16)	-	-	-	-	-	-	85,394	85,394	-	85,394
Equity issued to New Bond holders (Note 16)	256,182	-	-	-	-	(170,788)	(85,394)	-	-	-
Acquisition of non-controlling interests	-	-	-	-	(188)	(7,559)	-	(7,747)	(9,960)	(17,707)
Total comprehensive loss for the year (Restated ¹)	-	-	-	-	(7,428)	-	-	(7,428)	(188)	(7,616)
Balance as at December 31, 2022 (Restated¹)	1,275,391	8,452	(24,045)	19,747	(679,159)	(181,071)	-	419,315	-	419,315
Capital reduction and absorption of losses (Note 13)	(637,695)	-	-	(19,747)	657,442	-	-	-	-	-
Treasury shares (Note 15)	-	24,882	(72,236)	-	-	-	-	(47,354)	-	(47,354)
Issuance of mandatory convertible Sukuk (Note 13)	-	-	-	-	-	-	220,000	220,000	-	220,000
Shares issued to Sukuk holders (Note 13)	200,000	2,400	-	-	-	-	(220,000)	(17,600)	-	(17,600)
Total comprehensive income for the year	-	-	-	-	21,275	-	-	21,275	-	21,275
Transfer to statutory reserve (Note 14)	-	-	-	2,128	(2,128)	-	-	-	-	-
Balance as at December 31, 2023	837,696	35,734	(96,281)	2,128	(2,570)	(181,071)	-	595,636	-	595,636

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

¹ Refer Note 31 for details regarding prior year restatement.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2023

	Notes	2023 AED'000	2022 AED'000 (Restated ¹)
OPERATING ACTIVITIES			
Profit / (loss) for the year		21,275	(7,616)
Adjustments for:			
Depreciation of vessels, property and equipment	6	36,725	41,275
Depreciation of right-of-use assets		-	192
Allowance for expected credit losses	10	1,000	395
Income on discounting of a financial liability to present value		-	(191)
Provision for employees' end of service benefits	19	276	180
Finance costs	26	22,534	33,245
Finance income		(2,667)	-
Reversal of liabilities no more required	25	(19,466)	(19,707)
Gain of settlement of Sukuk	25	(14,549)	-
Gain on sale of a vessel	6	(24,834)	-
Change in fair value of financial assets at FVTPL	11	2,009	-
Operating cash flows before changes in working capital		22,303	47,773
Working capital changes:			
Inventories		(1,118)	292
Trade and other receivables		(3,681)	(3,830)
Trade and other payables		(23,595)	(31,649)
Cash from operations		(6,091)	12,586
Employees' end of service benefits paid		(232)	(146)
Net cash flows (used in) / from operating activities		(6,323)	12,440

¹ Refer Note 31 for details regarding prior year restatement.

	Notes	2023 AED'000	2022 AED'000 (Restated ¹)
INVESTING ACTIVITIES			
Investments in financial assets at FVTPL	11	(178,423)	-
Proceeds from disposal of financial assets at FVTPL	11	76,035	-
Proceeds from sale of a vessel	6	99,471	-
Placement of a fixed deposit	12	(200,000)	-
Additions to vessels, property and equipment	6	(40,452)	(1,512)
Acquisition of non-controlling interests		-	(915)
Net cash flows used in investing activities		(243,369)	(2,427)
FINANCING ACTIVITIES			
Payment of lease liabilities		-	(192)
Movement in restricted cash		-	4,466
Arrangement fee paid		-	(4,172)
Proceeds from interest-bearing borrowings		180,187	226,920
Repayment of interest-bearing borrowings		(106,375)	(222,992)
Interest paid		(15,255)	(18,693)
Settlement of Islamic non-convertible Sukuk	18	(34,983)	-
Proceeds from issuance of mandatory convertible Sukuk, net of transactions costs	13	202,400	-
Financing from liquidity provider		63,330	7,594
Movement in treasury shares, net		(47,354)	5,117
Net cash flows from / (used in) financing activities		241,950	(1,952)
Net change in cash and cash equivalents		(7,742)	8,061
Cash and cash equivalents at the beginning of the year		17,801	9,740
Cash and cash equivalents at the end of the year	12	10,059	17,801

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

1. LEGAL STATUS AND ACTIVITIES

Gulf Navigation Holding PJSC (the “Company”) is a public joint stock company since October 30, 2006 as per the Resolution of the Ministry of Economy No. 425 of 2006. The Company is listed on the Dubai Financial Market. The Company operates from its office on the 39th Floor, API Trio Tower, Al Barsha, Dubai, United Arab Emirates (“UAE”).

The Group is primarily engaged in sea transport of oil and petroleum products and similar commodities, ship charter, shipping lines of freight and passenger transportation, sea freight and passenger charters, shipping services, sea

shipping lines agents, clearing and forwarding services, cargo loading and unloading services, cargo packaging, sea cargo services and ship management operations.

These consolidated financial statements include the financial performance and position of the Company and its directly and indirectly held operating subsidiaries as listed below (collectively the “Group”). The Group holds numerous other subsidiaries that are non-operational (mainly investment vehicles), which have not been listed in the below table.

Subsidiary name	Principal activities	Country of incorporation	Ownership interest	
			2023	2022
Gulf Crude Carriers (L.L.C)	Ship Charter, etc.	UAE	100%	100%
Gulf Navigation Polimar Maritime LLC	Sea Shipping Lines Agents	UAE	100%	100%
Gulf Navigation Livestock Carriers 2 Ltd., Inc.	Ship Owning	Panama	100%	100%

The Group has the following operational branches:

Branch name	Principal activities	Country of incorporation
Gulf Navigation Holding PJSC (KSA Br)	Ship Charter, etc.	Kingdom of Saudi Arabia

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

2.1. STATEMENT OF COMPLIANCE

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB) and applicable requirements of the UAE Federal Law No. (32) of 2021.

2.2. BASIS OF PREPARATION

The Group’s consolidated financial statements have been prepared on an accruals basis and under the historical cost convention, except for financial instruments at fair value through profit or loss, which are measured at their fair value.

2.3. GOING CONCERN

The Group, excluding other operating and non-operating income of AED 60,927 thousand, incurred a loss of AED 39,652 thousand for the year ended December 31, 2023.

At the General Assembly Meeting held on January 31, 2022, the shareholders resolved to approve the issuance of Mandatorily Convertible Bonds for a value up to AED 150,000 thousand (“New Bonds”) by way of a private placement, out of which AED 85,394 thousand (Notes 17, 18 and 19) were utilized against settlement of liabilities and conversion of the same into 256,182 thousand shares of the Company at a price of AED 0.33 per share, subject to a lockup period of one year. The shareholders had also resolved to approve the increase of the share capital of the Company for the purposes of converting the New Bonds into shares of the Company.

Further, at the General Assembly Meeting held on March 22, 2023, the shareholders resolved to approve a capital reduction to absorb accumulated losses and a private issuance of 220 million mandatory convertible bonds to increase the share capital of the Company to eventually become AED 837,696 thousand.

The Group has received, through an investment banker, interest from potential key investors to provide liquidity to the Group of up to AED 220,000 thousand, and accordingly, at the General Assembly Meeting held on September 11, 2023, the shareholders approved the issuance of 220 million mandatory convertible Sukuk, which have also been converted to share capital at a conversion price of AED 1.10 (Note 13) providing the Group sufficient cash flow for investment and operating activities in addition to settlement of existing liabilities.

The management of the Group has taken into consideration the above as well as 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 has a reasonable expectation that the Group will have adequate resources to continue its operational existence in the foreseeable future. Accordingly, the consolidated financial statements have been prepared on the basis that the Group will continue as a going concern.

Furthermore, the shareholders have resolved to continue the operations of the Group at the General Assembly Meeting held on April 30, 2023 as required by Article 309 of the Federal Decree-Law No. (32) of 2021.

2.4. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2023. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Company controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting or similar rights of an investee, the Company considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Company's voting rights and potential voting rights.

The Company re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group

obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Company gains control until the date the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

3. NEW OR REVISED STANDARDS AND INTERPRETATIONS

3.1. STANDARDS AND AMENDMENTS ADOPTED AS AT JANUARY 1, 2023

Some accounting pronouncements that are listed below, have become effective from January 1, 2023 and have therefore been adopted by the Group, but do not have any significant impact on the Group's consolidated financial results or position.

- IFRS 17 Insurance Contracts
- Amendments to IFRS 17 Insurance Contracts – Amendments to IFRS 17 and IFRS 4
- Definition of Accounting Estimates – Amendments to IAS 8
- Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12
- International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

3.2. STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS THAT ARE NOT YET EFFECTIVE

At the date of authorisation of these consolidated financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB or IFRIC. None of these standards or amendments to existing standards have been early adopted by the Group and no interpretations have been issued that are applicable and need to be taken into consideration by the Group at the reporting date.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. These new standards, amendments and interpretations have not been disclosed as they are not expected to have a material impact on the Group's consolidated financial statements when they become effective.

4. MATERIAL ACCOUNTING POLICIES

4.1. BUSINESS COMBINATIONS

The Group applies the acquisition method in accounting for business combinations. The consideration transferred by the Group to obtain control of a subsidiary is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Group, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

Consideration transferred as part of a business combination does not include amounts related to the settlement of pre-existing relationships. The gain or loss on the settlement of any pre-existing relationship is recognised in profit or loss.

Assets acquired and liabilities assumed are measured at their acquisition-date fair values.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

4.2. FOREIGN CURRENCY TRANSLATION

FUNCTIONAL AND PRESENTATION CURRENCY

Since most of the transactions of the Group are denominated in US Dollars ("USD") or currencies pegged to the USD, the functional currency of the entities is USD. However, the consolidated financial statements of the Group are presented in Arab Emirates Dirhams ("AED"), which is the presentation currency of the Group. Amounts in USD have been translated into AED at the rate of USD1 = AED 3.66 as there is a constant peg between USD and AED. All values are rounded to the nearest thousands ('000) except, where noted otherwise.

TRANSACTIONS AND BALANCES

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the consolidated statement of profit or loss, they are deferred in equity if they are attributable to part of the net investment in foreign operations.

Foreign exchange gains and losses that relate to loans and cash and cash equivalents are presented in the consolidated statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of profit or loss on a net basis within 'other income/(other expenses)'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income.

4.3. VESSELS, PROPERTY AND EQUIPMENT

Vessels, property and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying

amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated statement of profit or loss during the financial year in which they are incurred.

Cost incurred during the dry docking of vessels is capitalised and is depreciated based on the period in which future economic benefits associated will flow to the Group.

Depreciation is recognised on a straight-line basis to write down the cost less estimated residual value of vessels, property and equipment. The following useful lives are applied:

■ Vessels:	
– Chemical tankers	10–30 years
– Livestock vessels	20–40 years
– Dry docking costs	3–5 years
■ Leasehold improvements	10 years
■ Equipment	2–5 years
■ Furniture & fixtures	5 years
■ Vehicles	5 years

Residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other income (general and administrative expenses) in the consolidated statement of profit or loss.

4.4. IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing

for an asset is required, the Group estimates the asset’s recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. An impairment loss is recognised for the amount by which the asset’s (or cash-generating unit’s) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use.

To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

The data used for impairment testing procedures is directly linked to the Group’s latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the consolidated statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset’s or CGU’s recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset’s recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at December 31, 2023 and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to the cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit.

4.5. CURRENT VERSUS NON-CURRENT CLASSIFICATION

The Group presents assets and liabilities in the combined statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

4.6. INVENTORIES

Inventories are stated at the lower of cost or net realisable value.

The cost of inventories comprises of all costs of purchases and other costs incurred in bringing the inventories to their present location and condition, net allowance for obsolescence and slow-moving items.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

4.7. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss, as appropriate.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified into different categories. The categories applicable to the Group are as follows:

FINANCIAL ASSETS AT AMORTISED COST (DEBT INSTRUMENTS)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include cash and cash equivalents and trade and other receivables.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in the consolidated statement of profit or loss.

This category includes listed quoted equity instruments for trading purposes which the Group had not irrevocably elected to classify at fair value through OCI.

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement¹ and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise

the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability.

The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

IMPAIRMENT

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI and trade receivables recognised and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category (i.e. Stage 1) while 'lifetime expected credit losses' are recognised for the second category (i.e. Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

The Group makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Group uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

Refer to Note 29 for a detailed analysis of how the impairment requirements of IFRS 9 are applied.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

FINANCIAL LIABILITIES

INITIAL RECOGNITION AND MEASUREMENT

The Group has classified its financial liabilities, at initial recognition, as loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, interest-bearing borrowings and Islamic non-convertible sukuk.

SUBSEQUENT MEASUREMENT

Subsequently, trade and other payables, interest-bearing borrowings and Islamic non-convertible sukuk are measured at amortised cost using the effective interest method.

All interest-related charges are included within finance costs.

DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another

from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

4.8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of cash on hand, cash at banks, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, net of restricted cash and bank overdrafts that do not form part of the Group's working capital.

4.9. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

The Group provides end of service benefits to its employees in accordance with the U.A.E. Labour Law. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. The provision for employees' end of service benefits is reported as separate line item under non-current liabilities in the consolidated statement of financial position.

Contributions for eligible UAE National employees are made to the Pension Authority, in accordance with the provisions of UAE labour Law No. (7) of 1999 relating to Pension and Social Security and its amendments and charged to the consolidated statement of comprehensive income in the period in which they fall due.

4.10. SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits, including leave entitlement, are current liabilities included in trade and other payables, measured at the undiscounted amount the Group expects to pay as a result of the unused entitlement.

4.11. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
- Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The Group measures financial instruments such as financial assets at fair value through profit or loss at fair value at each reporting date.

Financial assets measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

4.12. PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

4.13. CONTINGENT LIABILITIES

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

4.14. TAXES

VALUE ADDED TAX ("VAT")

Expenses and assets are recognised net of the amount of value added tax, except:

- When the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of value added tax included

The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the combined financial statements.

INCOME TAXES

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

CURRENT INCOME TAX

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

DEFERRED TAX

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available to be utilised, except in circumstances where IAS 12 does not permit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax on temporary differences relating to goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

4.15. EQUITY AND RESERVES

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on the issue of share capital or on gain from sale of treasury shares. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Treasury shares
- Statutory reserve – comprises annual transfers from the Group's profit (see Note 14)
- Accumulated losses/ retained earnings – includes all current and prior period retained profits or losses.
- Other reserves – comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities into AED (see Note 16)
- Mandatory convertible bonds and Sukuk – comprises gains and losses relating to these types of financial instruments (see Note 13)

All transactions with shareholders of the Company are recorded separately within equity.

Treasury shares are own equity instruments that are acquired by the Company, which are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

4.16. DIVIDENDS

Obligation is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the Company (i.e. approved in a general meeting), on or before the end of the reporting period but not distributed at the end of the reporting period.

4.17. REVENUE RECOGNITION

Revenue is based on a five-step model, explained below, that will apply to revenue arising from contracts with customers.

- Step 1: Identify the contract(s) with a customer:
- Step 2: Identify the performance obligations in the contract:
- Step 3: Determine the transaction price:
- Step 4: Allocate the transaction price to the performance obligations, and then:
- Step 5: Recognise revenue as and when performance obligations are satisfied

The Group has concluded, based on its review of revenue arrangements with customers, that it is the principal in the majority of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

Revenues received from time charters are recognised on a straight-line basis over the duration of the charter, less off-hire charges.

Shipping services, marine products sales and distribution revenues consist of the invoiced value of goods supplied and services rendered, net of discounts and returns and are recognised when goods are delivered and services have been performed.

4.18. OPERATING EXPENSES

Operating expenses are recognised in profit or loss upon utilisation of the goods or services, or as incurred. Expenditure for warranties is recognised when the Group incurs an obligation, which is typically when the related goods are sold.

4.19. EARNINGS PER SHARE

BASIC EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weight average number of ordinary shares in issue during the year (excluding ordinary shares purchased by the Group and held as treasury shares).

DILUTED EARNINGS PER SHARE

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group does not have any categories of dilutive potential ordinary shares, hence the diluted earnings per share is the same as the basic earnings per share.

4.20. SIGNIFICANT JUDGMENTS AND ESTIMATION UNCERTAINTY

When preparing the consolidated financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

SIGNIFICANT MANAGEMENT JUDGEMENTS

The following are the significant judgements made by the management in applying the accounting policies of the Group that have the most significant effect on these consolidated financial statements.

PROPERTY LEASE CLASSIFICATION – GROUP AS A LESSOR

The Group has entered into long-term vessel leasing arrangements. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the vessel and the present value of the minimum lease payments not amounting to substantially all of the fair value of the vessel, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

ESTIMATION UNCERTAINTY

IMPAIRMENT OF VESSELS AND GOODWILL

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a DCF model. Calculation of the value-in-use is determined by covering a detailed five-year forecast approved by the management, followed by an extrapolation of expected cash flows for the remaining useful lives using a growth rate determined by management. The present value of the expected cash flows of each cash generating unit is determined by applying a suitable discount rate reflecting current market assessments of the time value of money.

Estimation uncertainty relates to assumptions about the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. With regards to goodwill impairment assessment, the key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 7. With regards to vessels impairment assessment, the key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 6.

USEFUL LIVES OF VESSELS, PROPERTY AND EQUIPMENT

The Group estimates the useful lives of its vessels, property and equipment based on the period over which the assets are expected to be available for use. The Group reviews annually the estimated useful lives of vessels, property and equipment based on factors that include asset utilisation, internal technical evaluation, technological changes, environmental and anticipated use of the assets. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. A reduction in the estimated useful lives would increase the recorded depreciation expense and decrease the carrying value of the related assets. Residual values are not considered as they are deemed immaterial.

5. OPERATING SEGMENTS

BUSINESS SEGMENTS

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the Group's Executive Committee who make strategic decisions. The Executive Committee reviews the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports, which have changed from December 31, 2022.

ALLOWANCE FOR EXPECTED CREDIT LOSSES FOR TRADE RECEIVABLES

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 29.

The Group comprises the following main business segments:

- **Vessel chartering:** Chartering of vessels to customers;
- **Shipping and technical services:** Providing agency services to ships calling at ports; and providing workshop services for boats
- **Corporate:** Includes management of all divisions and administrative activities.

Vessel chartering, shipping and technical services and corporate meet the criteria required by IFRS 8: **Operating Segments** and reported as separate operating segments.

The Group's Executive Committee does not consider the geographical distribution of the Group's operations to be relevant for their internal management analysis and therefore no geographical segment information has been disclosed.

All operating segments' results, for which discrete financial information is available, are reviewed regularly by the Group's Executive Committee to make decisions about resources to be allocated to the segment and assess their performance.

The following table presents revenue and profit information for the Group's operating segments for the years ended December 31, 2023 and December 31, 2022, respectively:

Year ended December 31, 2023	Vessel chartering AED'000	Shipping and technical services AED'000	Corporate AED'000	Inter-segment elimination AED'000	Total AED'000
Revenue	99,432	6,524	-	(422)	105,534
Direct costs	(92,432)	(3,911)	-	422	(95,921)
Gross profit	7,000	2,613	-	-	9,613
General and administrative expenses	(887)	(6,361)	(19,483)	-	(26,731)
Other operating income	-	-	24,834	-	24,834
Operating profit	6,113	(3,748)	5,351	-	7,716
Other non-operating income	981	27	35,985	-	36,993
Finance costs	(19,080)	(91)	(4,263)	-	(23,434)
Profit before income tax	(11,986)	(3,812)	37,073	-	21,275
Income tax	-	-	-	-	-
Segment profit/(loss)	(11,986)	(3,812)	37,073	-	21,275
AT DECEMBER 31, 2023					
Segment assets	895,924	942	93,022	-	989,888
Segment liabilities	(164,479)	(1,804)	(228,022)	-	(394,306)
Capital expenditure	39,809	-	-	-	39,809

Year ended December 31, 2022	Vessel chartering AED'000	Shipping and technical services AED'000	Corporate AED'000	Inter-segment elimination AED'000	Total AED'000
Revenue	127,110	11,063	-	(944)	137,229
Direct costs	(110,524)	(7,167)	-	944	(116,747)
Gross profit	16,586	3,896	-	-	20,482
General and administrative expenses	(678)	(5,090)	(8,420)	769	(13,419)
Other operating income	425	5	1,026	(769)	687
Operating profit	16,333	(1,189)	(7,394)	-	7,750
Other non-operating income	10,836	-	8,871	-	19,707
Finance costs	(22,685)	2	(10,560)	-	(33,243)
Profit before income tax	4,484	(1,187)	(9,083)	-	(5,786)
Income tax	(1,830)	-	-	-	(1,830)
Segment profit/(loss)	2,654	(1,187)	(9,083)	-	(7,616)
AT DECEMBER 31, 2022					
Segment assets	894,198	45,357	1,521,307	(1,668,513)	792,349
Segment liabilities	(788,166)	(41,091)	(719,297)	1,668,513	(369,205)
Capital expenditure	1,512	-	-	-	1,512

6. VESSELS, PROPERTY AND EQUIPMENT

	Vessels AED'000	Leasehold improvements AED'000	Equipment AED'000	Furniture and fixtures AED'000	Vehicles AED'000	Total AED'000
GROSS CARRYING AMOUNT						
As at January 1, 2022	1,276,674	3,845	2,627	489	428	1,284,063
Additions	1,512	-	-	-	-	1,512
As at December 31, 2022	1,278,186	3,845	2,627	489	428	1,285,575
Additions ¹	40,342	-	110	-	-	40,452
Disposal	(175,887)	-	-	-	-	(175,887)
As at December 31, 2023	1,142,641	3,845	2,737	489	428	1,150,140
ACCUMULATED DEPRECIATION						
As at January 1, 2022	650,525	3,288	2,449	489	428	657,179
Charge for the year	40,833	442	-	-	-	41,275
As at December 31, 2022	691,358	3,730	2,449	489	428	698,454
Charge for the year	36,432	115	178	-	-	36,725
Disposal	(101,250)	-	-	-	-	(101,250)
As at December 31, 2023	626,540	3,845	2,627	489	428	633,929
NET CARRYING AMOUNTS:						
As at December 31, 2023	516,101	-	110	-	-	516,211
As at December 31, 2022	586,828	115	178	-	-	587,121

6.1. IMPAIRMENT OF VESSELS

During the year ended 31 December 2023, the Group has not recorded any provision for impairment on vessels (2022: AED Nil). The assessment was made by comparing the carrying value of the vessel with its recoverable amount, which is the higher of its fair value less cost of disposal and its value in use.

The value-in-use of these vessels has been determined by discounting the cash flow projections over a period of 5 years including estimated terminal value. Cash flow projections are based on past experience and business plans approved by management and based on the following assumptions:

- Revenue of time charter vessels has been determined based on rates as per the contracts whereas revenue for vessels on spot charter has been determined based on expected future TCE rates;

¹ Additions to vessels relate to drydocking costs.

- Vessel running costs have been determined using a mix of actual expense of prior years and budgeted expense for the following years with normal inflationary impact;
- Other expenses, such as dry docking, have been estimated using the historical trend of such expenses and expected cost to be incurred in future;
- Residual value has been determined using the steel value at the end of the useful life of the vessel; and
- The net cash flows have been discounted using a discount rate of 9.15% per annum (2022: 10.45% per annum).

As at December 31, 2023, if the discount rate used was 0.5% higher, with all other variables held constant, there would have been no impairment to the vessels (2022: no impairment).

6.2. DEPRECIATION

The amount of depreciation expense on vessels, property and equipment is presented in the consolidated statement of profit or loss as follows:

	2023 AED '000	2022 AED '000
Direct costs (Note 23)	36,432	40,833
General and administrative expenses (Note 24)	293	442
	36,725	41,275

6.3. PLEDGED ASSETS

Vessels with a carrying value of AED 424,938 thousand (2021: AED 534,153 thousand) as at December 31, 2022 are pledged as security for bank borrowings (Note 17).

6.4. DISPOSAL OF A VESSEL

During the year, the Group sold a vessel with a carrying amount of AED 74,637 thousand for a cash consideration of AED 99,471 thousand resulting in a gain of AED 24,834 thousand.

7. GOODWILL

The details of goodwill are as follows:

	2023 AED'000	2022 AED'000
Gross carrying value	219,912	219,912
Accumulated impairment loss	(76,449)	(76,449)
Net carrying value	143,463	143,463

Goodwill comprises the following:

- Goodwill of AED 135,999 thousand arising at the time of the initial public offer (IPO) and as a result of the acquisition of the exiting ship agency business in 2005; and

- Goodwill of AED 83,913 thousand on acquisition of livestock vessels in 2018.

Goodwill is allocated to the vessel chartering reporting segment.

Management performed an impairment test on goodwill as at December 31, 2023 and 2022. The recoverable amounts of the CGUs have been determined at December 31, 2023 and 2022 based on a value in use calculation using cash flow projections. The cash flows are derived from the most recent pre-tax cash flow projections for the next five years based on estimated charter rates using currently available market information and historical trends for vessels which are not on long term time charter. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating units operate.

The pre-tax discount rate applied to the cash flow projections is 8.45% (2022: 9.48%). As a result of the analysis, there is headroom and accordingly no impairment to goodwill.

The calculation of value in use is most sensitive to the following assumptions:

REVENUE

Revenue is mainly determined based on the actual charter hiring contracts entered into at the reporting date. Management took into consideration a reasonable decrease of 5% in the expected charter hiring rate is not expected to result in any impairment to goodwill.

DISCOUNT RATE

The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment from a willing market participant and the cost of debt is based on an estimate of debt available to willing market participants. Segment-specific risk is incorporated by applying individual beta factors. Any reasonable rise of 0.5% (2022: 0.5%) in the discount rate is not expected to result in any impairment to goodwill (2022: AED 9,000 thousand impairment to goodwill).

GROWTH RATE

The growth rate represents managements best estimate of the applicable market growth rate for the industry segments in which it operates. Any reasonable decrease in the growth rate by 0.5% is not expected to result in any impairment to goodwill (2022: no impairment).

8. INVENTORIES

	2023 AED'000	2022 AED'000
Spare parts	7,344	7,002
Vessel oil and lubricants	1,740	827
Others	-	137
	9,084	7,966

Inventories with a carrying value of AED 3,974 thousand were recognized as expense in the consolidated statement of profit or loss for the year ended December 31, 2023 (2022: AED 5,528 thousand).



9. CATEGORIES OF FINANCIAL ASSETS AND LIABILITIES

The Group holds the following financial instruments:

	2023 AED'000	2022 AED'000
FINANCIAL ASSETS AT AMORTISED COST		
Trade and other receivables	18,219	12,357
Cash and bank balances	210,059	28,271
	228,278	40,628
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Quoted equity instruments	100,379	-
	328,657	40,628
FINANCIAL LIABILITIES AT AMORTISED COST		
Trade and other payables	104,970	84,284
Interest-bearing borrowings	300,034	233,323
Islamic non-convertible sukuk	-	34,983
	405,004	352,590
Current	94,163	157,889
Non-current	310,841	352,590

10. TRADE AND OTHER RECEIVABLES

	2023 AED'000	2022 AED'000 Restated
FINANCIAL ASSETS AT AMORTISED COST		
Trade receivables, gross	22,427	13,650
Less: allowance for expected credit losses (ECL)	(6,875)	(5,875)
Trade receivables, net	15,552	7,775
Accrued interest on fixed deposit	2,667	-
Other receivables	-	4,582
	18,219	12,357
NON-FINANCIAL ASSETS		
Advances to suppliers	3,374	2,196
Prepayments	1,551	3,243
	4,925	5,439
	23,144	17,796

The movement in the allowance for expected credit losses of trade receivables can be reconciled as follows:

	2023 AED'000	2022 AED'000
As at January 1,	5,875	5,480
Charge for the year (Note 24)	1,000	395
As at December 31,	6,875	5,875

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

During the year ended December 31, 2023, the Group invested in quoted equity instruments listed in the UAE for trading purposes, and accordingly, these investments

have been classified as financial assets at fair value through profit of loss (FVTPL). The movement in the investments in financial assets at FVTPL is as follows:

	2023 AED'000	2022 AED'000
At the beginning of the year	-	-
Acquisitions	178,423	-
Change in fair value (Note 25)	(2,009)	-
Disposals	(76,035)	-
At the end of the year	100,379	-

12. CASH AND CASH EQUIVALENTS

	2023 AED'000	2022 AED'000
Cash on hand	83	136
Cash at banks – current accounts	9,976	28,135
Cash at bank – fixed deposit	200,000	-
Cash and bank balances	210,059	28,271
Less: restricted cash (1)	-	(10,470)
Less: fixed deposit (2)	(200,000)	-
Cash and cash equivalents	10,059	17,801

(1) Represents cash held in certain bank accounts for payment of old outstanding unclaimed dividends (Note 13), which were transferred to the Securities and Commodities Authority ("SCA") in 2023 as instructed by SCA.

(2) During the third quarter of 2023, the Group placed AED 200 million as fixed term deposit with a local bank carrying interest at a commercial rate per annum and having 1 year maturity.

13. SHARE CAPITAL

	2023 AED'000	2022 AED'000
Authorised, issued and fully paid-up share capital 837,695,625 shares (2022: 1,275,391,249) of AED 1 each	837,696	1,275,391

The movement in the share capital during the year was as follows:

	2023 AED'000	2022 AED'000
At January 1,	1,275,391	1,019,209
Equity issued to New Bond holders (1)	-	256,182
Capital reduction (2)	(637,695)	-
Conversion of Sukuk to share capital (3)	200,000	-
At December 31,	837,696	1,275,391

(1) On January 31, 2022 in the General Assembly Meeting, the shareholders approved the issuance of mandatory convertible bond ("New Bond") amounting to AED 150,000 thousand for capital increase purposes and to restructure existing Islamic non-convertible sukuk and other liabilities.

The Group obtained the approval from the Securities and Commodities Authority for the issuance of the New Bond and, in June 2022, the Group agreed for the issuance of New Bond of AED 85,394 thousand to the following parties:

- Liability holders of Islamic non-convertible sukuk amounting to AED 50,540 thousand along with accrued interest until March 31, 2022 of AED 11,565 thousand;
- Creditors amounting to AED 12,450 thousand; and
- Short-term loans from related parties amounting to AED 10,838 thousand.

On September 29, 2022, and on completion of the regulatory requirements, the New Bond was converted into 256,182 thousand shares of the Company at a price of AED 0.33 per share. Accordingly, the Company's share capital increased by AED 256,182 thousand resulting in a corresponding other reserve in equity of AED 170,788 thousand (Note 16) representing the share discount. All the new shares were subject to the lockup period of one year.

(2) At the General Assembly Meeting held on March 22, 2023, the Company's shareholders, through special resolutions, approved 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 nominal value of AED 1 (the "Capital Reduction"), on a pro rata basis, to absorb accumulated losses to the extent of AED 637,695,625 reducing the Company's share capital to AED 637,695,625, noting that the Company will fully utilize the legal or optional reserves to absorb part of the accumulated losses with the remaining losses absorbed from the share capital. The shareholders also approved granting the Board of Directors the full authority to take all actions required to implement and execute the Capital Reduction pursuant to the provisions of the UAE Federal Decree-Law No. (32) of 2021 and the executive regulations of the SCA. 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.

(3) At the General Assembly Meeting held of September 11, 2023, the Company's shareholders, through special resolutions, approved the issuance of 220 million mandatory convertible Sukuk to new investors to be converted to 200 million shares of the Company at a conversion price of AED 1.10 increasing the share capital of the Company to AED 837,695,625 (the "Capital Increase") post the Capital Reduction. The Capital Increase was completed on September 15, 2023 resulting in a share premium of AED 2,400 thousand, net of share issuance cost of AED 17,600 thousand.

14. STATUTORY RESERVE

In accordance with the Company's Articles of Association and Article 103 of UAE Federal Law No. (32) of 2021, a minimum of 10% (2022: 10%) of the profit for the year has to be transferred to the statutory reserve. Such transfers are required to be made until the balance

of the statutory reserve equals one half of the Company's paid-up share capital. The reserve is not available for distribution except as provided for in the above-mentioned law.

15. TREASURY SHARES

At the Annual General Assembly held on April 28, 2022, the shareholders of the Company approved the recommendation of the Board of Directors to buy back from the Company's shares, not exceeding 10% of its total shares, for the purpose of disposing them in accordance with the decision issued by the Securities & Commodities Authority ("SCA") in this regard, while authorising the Company's Board of Directors to:

- Implement the decision of the General Assembly during 2022 approved by SCA.
- Reduce the capital of the Company in the event of not meeting the period specified by SCA to dispose of the purchased shares by cancelling those shares with the amendment of the Company's capital in the Articles of Association.

Consequently, in 2022, the Company acquired 11,150,000 of its own shares through market brokers and agents, which have been registered under the Company's name as legal and beneficial holder of those shares, as well as appointed a liquidity provider to provide liquidity for the Company's securities listed on the DFM as the regulated market by entering two-way daily quotes into the Market Trading System, whereby the Company's shares traded under the liquidity provision agreement would be held under the legal name of the liquidity provider on behalf and for the benefit of the Company.

The details of the outstanding treasury shares at the reporting date are as follows:

	Number of shares		Acquisition cost of shares	
	2023 No.	2022 No.	2023 AED'000	2022 AED'000
HELD UNDER THE LEGAL NAME OF:				
■ the Company	575,000	11,150,000	334	3,335
■ the liquidity provider	13,465,854	35,619,293	95,947	20,710
	14,040,854	46,769,293	96,281	24,045

A cumulative gain of AED 33,334 thousand has been recognised for the year ended December 31, 2023 as Share Premium under equity (2022: AED 8,452 – Restated) out of which a net gain of AED 24,882 thousand

is from the net disposal of shares during the year (2022: net gain of AED 8,452 thousand – Restated). In accordance with the signed agreement, the liquidity provider has partially funded the acquisition of the treasury shares.

16. OTHER RESERVES

Other reserves include a reserve of AED 170,788 thousand arising on issuance of 256,182 thousand shares of the Company at a discount against settlement of AED 85,394 thousand of liabilities (Note 13) whereby the Company had completed the requirement for capital increase effective September 29, 2022.

Other reserves also include AED 7,559 thousand equity adjustment on acquisition of non-controlling interests in 2022 representing the excess of purchase consideration over the net carrying value of non-controlling interests as at the date of acquisition.

17. INTEREST-BEARING BORROWINGS

	2023 AED'000	2022 AED'000
BANK LOANS		
Term loans	119,847	232,492
Short-term loan	-	831
	119,847	233,323
Bank overdraft	180,187	-
Total interest-bearing borrowings	300,034	233,323
Less: non-current portion	(94,163)	(157,889)
Current portion	205,871	75,434

During the third quarter of 2023, the Group obtained a bank overdraft facility with a limit of AED 200 million secured by the fixed deposit (Note 12), which were mainly utilized for financing activities and settlement of Sukuk. The facility

carries interest rate of 0.75% over the highest rate payable on pledged deposits per annum.

The movement in bank loans during the year was as follows:

	2023 AED'000	2022 AED'000
At January 1,	233,323	229,232
Add: amortization of arrangement fee	1,419	2,810
Add: amortization of discounted value	-	1,525
Add: loan availed during the year	-	226,920
Less: loans repaid during the year	(106,375)	(222,992)
Less: arrangement fee paid	-	(4,172)
Less: write back	(8,520)	-
At December 31,	119,847	233,323

The details of the term loans are as follows:

	2023 AED'000	2022 AED'000
Term loan I (1)	-	23,147
Term loan II (1)	-	11,050
Term loan III (2)	119,847	198,295
	119,847	232,492

(1) At December 31, 2022, the Group had defaulted the repayment of term loans I and II, and accordingly, the entire amounts of the term loans were classified as current liability in the consolidated statement of financial position as at December 31, 2022.

During the current year, the Group agreed on a revised settlement plan with the lender according to which the Group settled an upfront payment of AED 1,000 thousand in addition to legal fees of AED 190 thousand, with the remaining amount of AED 25,000 thousand due for payment on June 1, 2023 plus interest of 3-month EIBOR + 3.5% per annum (minimum 5.5%) until the full and final settlement in case of any delay. However, the AED 25,000 thousand along with accrued interest were fully settled in April 2023.

On this basis, the Group wrote back AED 8,520 thousand of loan principal with relation to the two term loans and AED 10,941 thousand with respect to the related accrued interest, which were recorded under other non-operating income in profit or loss (Note 25).

(2) Term loan III has been obtained in 2022 part of a refinancing arrangement with a financial institution to restructure the Group's borrowings. In accordance with the arrangement, the Group borrowed AED 226,920 thousand and partially utilized the proceeds to fully settle two other term loans. The Group incurred arrangement fee of AED 4,172 thousand, which is being amortised over the term of the loan of 5 years. The loan is subject to compliance with certain financial covenants on quarterly basis, which are all met as at December 31, 2023 (2022: all met). Upon sale of a vessel during the current year (Note 6), the related remaining portion of the term loan of AED 41.9 million was fully settled and the related unamortized portion of the arrangement fee was fully expensed under finance costs.

18. ISLAMIC NON-CONVERTIBLE SUKUK

On January 16, 2020 the Board of Directors passed a resolution to issue 125 million Islamic non-convertible sukuk (the "Sukuk") amounting to AED 125,000 thousand (AED 1 per Sukuk) in compliance with Islamic Shari'a and by way of a private placement. The Group had obtained approvals on March 12, 2020 from the regulatory authority and on March 29, 2020 from the shareholders at a General Assembly Meeting to issue the Sukuk, which carry profit of 12% per annum payable semi-annually with a maturity term of 5 years.

In 2020, Sukuk amounting to AED 87,572 thousand have been subscribed and the related cash proceeds were received by the Group. Cost of issuance of Sukuk amounting to AED 9,915 thousand is being unwound over the contractual period of the Sukuk.

In 2022, holders of Sukuk amounting to AED 50,540 thousand along with accrued interest until March 31, 2022 of AED 11,565 thousand agreed to settle the Sukuk by way of issuing Mandatorily Convertible Bonds and conversion of the same to shares in the Company (Note 2.3).

On February 14, 2023, the representative of Sukuk holders (the 'Representative') has sent an event of default notice to the Company in relation to default in payment of periodic distribution amount as per the terms of the underlying agreements related to the issuance of Sukuk (the "Terms"). Accordingly, the Representative has demanded and claimed the dissolution distribution amount and delegate the liabilities sum, being USD 14,804 thousand (equivalent AED 54,183 thousand). Further, the Securities and Commodities Authority (SCA) through their letter dated March 24, 2023 requested clarification from the Company in relation to such default. Management assessed that the claims made by the Representative

are not valid and was of the view that the liability recorded in the consolidated financial statements of the Group is in accordance with the Terms and will be settled when due as per the Terms. This assessment was communicated by management to SCA through a letter dated March 24, 2023. Management successfully settled with the Sukuk holders an outstanding Sukuk amount of AED 36,000 thousand and the related accrued interest amount of AED 13,484 resulting in a gain on settlement of Sukuk of AED 14,549 thousand recognized under other non-operating income (Note 25) during the current year.

The movements in Sukuk are as follows:

	2023 AED'000	2022 AED'000
At January 1,	34,983	81,385
Settlement	(36,000)	(50,541)
Amortisation of the arrangement fee	1,017	1,839
Amortisation of the arrangement fee related to conversion to Mandatory convertible bonds	-	2,300
At December 31,	-	34,983

19. PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	2023 AED'000	2022 AED'000
As at January 1,	1,211	1,177
Charge for the year	276	180
Payments made during the year	(232)	(146)
As at December 31,	1,255	1,211

20. TRADE AND OTHER PAYABLES

	2023 AED'000	2022 AED'000 Restated
FINANCIAL LIABILITIES AT AMORTISED COST:		
Trade payables	19,231	22,091
Accruals, provisions and other payables	12,441	18,417
Tax accrual	2,374	3,812
Accrued interest on Sukuk	-	10,954
Dividend payable	-	10,470
Accrued interest on bank borrowings		10,946
Payable to liquidity provider (Note 15)	70,924	7,594
	104,970	84,284
NON-FINANCIAL LIABILITY		
Advances from customers	445	11,501
	105,415	95,785

21. RELATED PARTY TRANSACTIONS

KEY MANAGEMENT PERSONNEL REMUNERATION

	2023 AED'000	2022 AED'000
Short-term benefits	3,654	2,473
Post-employment benefits	-	35
	3,654	2,508

OTHER RELATED PARTY TRANSACTION

During 2022, the Company issued Mandatorily Convertible Bonds against the settlement of short-term loans from related parties amounting to AED 10,838 thousand, which were converted into shares in the Company (Note 2.3).

22. REVENUE

	2023 AED'000	2022 AED'000
SERVICES TRANSFERRED OVER TIME		
Vessel chartering ¹	99,010	127,110
SERVICES TRANSFERRED AT A POINT IN TIME		
Shipping and technical services	6,524	10,119
	105,534	137,229

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) with relation to charter hiring revenue as at 31 December are, as follows:

	2023 AED'000	2022 AED'000
Within one year	73,838	99,043
More than one year	23,683	33,763
	97,521	132,806

23. DIRECT COSTS

	2023 AED'000	2022 AED'000
VESSEL CHARTERING:		
Ship running costs – vessels	49,256	62,748
Depreciation of vessels, property and equipment (Note 6)	36,432	41,275
Ship running costs – crew boats	3,911	4,507
Ship repairs	-	1,048
SHIPPING AND TECHNICAL SERVICES:		
Operating expenses	6,322	7,169
	95,921	116,747

¹ As disclosed in Note 6.4, the Group sold a vessel during the first quarter of the year. In addition, there were several vessels under drydocking during the last quarter of the year.

24. GENERAL AND ADMINISTRATIVE EXPENSES

	2023 AED'000	2022 AED'000
Staff costs	8,741	7,121
Professional fees	5,577	1,494
Directors' remuneration (Note 21)	3,654	2,508
Credit losses on trade receivables (Note 10)	1,000	395
Depreciation of vessels, property and equipment (Note 6)	293	-
Foreign exchange loss / (gain), net	171	(63)
Depreciation of rights-of-use assets	-	192
Others	7,295	1,769
	26,731	13,416

25. OTHER NON-OPERATING INCOME, NET

	2023 AED'000	2022 AED'000
Reversal of liabilities no more required (Note 17)	19,466	19,707
Gain of settlement of Sukuk (Note 18)	14,549	-
Change in fair value of financial assets at FVTPL (Note 11)	(2,009)	-
Others	1,420	686
	33,426	20,393

26. FINANCE COSTS

	2023 AED'000	2022 AED'000
FINANCE COSTS ON:		
■ Term loans	13,744	23,530
■ Islamic non-convertible sukuk	2,581	8,923
■ Amortisation of arrangement fee	4,168	-
■ Short-term loan	1,415	-
Others	626	792
	22,534	33,245

27. BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share has been based on the profit/(loss) for the year attributable to the Owners of the Company and weighted average number of ordinary shares outstanding during the year.

	2023	2022
Profit / (loss) for the year attributable to the Owners of the Company (AED'000) – Restated	21,275	(7,616)
Weighted average number of ordinary shares (Note 15) (1)	925,479,458	1,275,391,249
Basic and diluted earnings per share (AED) – restated	0.023	(0.006)

(1) The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares, the Capital Reduction (Note 13), and the Capital Increase (Note 13) during the year.

28. COMMITMENTS AND CONTINGENT LIABILITIES

At 31 December 2023, the Group did not have any contingent liabilities (2022: a contingent liability with respect to not meeting the proposed payments towards the settlement of term loans I and II, amounting to AED 5,952 thousand as disclosed in Note 17).

The Group does not have any contingent liabilities at the reporting date (2022: None).

29. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Group is exposed to various risks in relation to financial instruments. The Group's financial assets and liabilities by category are summarised in Note 9. The main types of risks are market risk, credit risk and liquidity risk.

risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors has the overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's senior management are responsible for developing and monitoring the Group's risk management policies and report regularly to the Board of Directors on their activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor

29.1. MARKET RISK ANALYSIS

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

FOREIGN CURRENCY RISK

Most of the Group's transactions are carried out in USD and AED, which is pegged to the USD. Accordingly, the Group is not exposed to significant foreign currency risk.

INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At December 31, 2023 and 2022, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

INTEREST RATE SENSITIVITY

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (2022: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Profit / (loss) and equity	
	+1% AED'000	-1% AED'000
December 31, 2023	(1,198)	1,198
December 31, 2022	(2,325)	2,325

OTHER PRICE SENSITIVITY

The Group is exposed to other price risk in respect of its listed equity securities (Note 11). For the listed equity securities, an average volatility of 5% has been considered by the Group. This volatility figure is considered to be a suitable basis for estimating how profit or loss and equity would have been affected by changes in market risk that were reasonably possible at the reporting date. If the quoted stock price for these securities increased or decreased by that percentage, profit or loss and equity would have increased or decreased by AED 5,019 thousand.

29.2. CREDIT RISK ANALYSIS

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to credit risk from financial assets including cash and cash equivalents held at banks and trade and other receivables.

CREDIT RISK MANAGEMENT

The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarized below:

	2023 AED'000	2022 AED'000
Trade and other receivables	18,219	25,528
Cash and bank balances	210,059	28,271
	228,278	53,799

TRADE RECEIVABLES

The Group continuously monitors the credit quality of customers based on a credit rating scorecard. The Group's policy is to deal only with credit worthy counterparties. The credit terms range between 15 and 30 days. The credit terms for customers as negotiated with customers are subject to an internal approval process. The ongoing credit risk is managed through regular review of ageing analysis, together with credit limits per customer.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Management takes into consideration subsequent collections and advances received from customers when assessing the expected credit loss on its trade receivables. Management assessed that the impact of time value of money is insignificant.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery.

On the above basis the expected credit loss for trade receivables as of December 31, 2023 and December 31, 2022 was determined as follows:

	Past due					
	Total	Not due	<90 days	91 to 120 days	121 to 150 days	> 150 days
2023	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Expected credit loss rate		2%	2%	2%	3%	57%
Gross carrying amount	22,427	776	699	3,687	5,952	11,313
Expected credit loss	6,875	19	17	92	149	6,598

	Past due					
	Total	Not due	<90 days	91 to 120 days	121 to 150 days	>150 days
2022	AED'000	AED'000	AED'000	AED'000	AED'000	AED'000
Expected credit loss rate		-	-	-	-	97%
Gross carrying amount	13,650	-	2,808	4,766	30	6,046
Expected credit loss	5,875	-	-	-	-	5,875

BANK BALANCES

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions.

29.3. LIQUIDITY RISK

Liquidity risk is that the Group might be unable to meet its obligations. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will always have

sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. Cash flows from trade and other receivables are all contractually due within 1 months.

The table below summarises the maturity profile of the Group’s financial liabilities based on contractual undiscounted payments:

	Within 1 year AED’000	1 to 5 years AED’000	After 5 years AED’000	Total AED’000
DECEMBER 31, 2023				
Interest-bearing borrowings	36,419	114,258	-	150,677
Trade and other payables	103,607	-	-	103,607
Bank overdraft	180,187	-	-	180,187
Total	320,213	114,258	-	434,471

	Within 1 year AED’000	1 to 5 years AED’000	After 5 years AED’000	Total AED’000
DECEMBER 31, 2022				
Interest-bearing borrowings	93,905	210,430	-	304,335
Trade and other payables	16,982	10,946	-	27,928
Islamic non-convertible sukuk	59,250	-	-	59,250
Total	170,137	221,376	-	391,513

The above amounts reflect the contractual undiscounted cash flows, which may differ to the carrying values of the liabilities at the reporting date.

30. CAPITAL MANAGEMENT

The Group’s capital management objectives are to ensure the Group’s ability to continue as a going concern and to provide an adequate return to shareholders to maintain the confidence of its investors, creditors and the market and to sustain future development of the business.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Capital comprises share capital, share premium, treasury shares and all other equity reserves and is measured at AED 595,636 thousand as at December 31, 2023 (2022: AED 419,315 thousand).

In order to achieve this overall objective, the Group’s capital management, among other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call the loans and borrowings. There have been no breaches of the financial covenants of any interest-bearing loans and borrowing as at December 31, 2023.

No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2023 and 2022.

31. CORRECTION OF ERROR AND COMPARATIVE INFORMATION

The Group restated the comparative information to correct the accounting treatment of gains from treasury shares that were previously included in profit or loss, and rather recorded such gains directly in equity in accordance with IAS 32 **Financial Instruments**. The error has been corrected by restating each of the affected financial statement line items for the prior year.

In addition, certain amounts have been reclassified in the consolidated statements of financial position and profit or loss to conform with the current year’s classification and enhance the quality of presentation with no further impact on the previously reported net assets and results of the Group.

Furthermore, the Group made changes in the reporting segments following changes in internal reporting (Note 5).

The impact of the correction of error and reclassifications is as follows:

Impact on the consolidated statement of financial position as at December 31, 2022	As previously reported AED'000	Effect of restatement and reclassification AED'000	As currently reported AED'000
Trade and other receivables	25,528	(7,732)	17,796
Total assets	792,349	(7,732)	784,617
Trade and other payables	99,688	(3,903)	95,785
Total liabilities	369,205	(3,903)	365,302
Share premium		8,452	8,452
Accumulated losses	(666,878)	(12,281)	(679,159)
Total equity	423,144	(3,829)	419,315

Impact on the consolidated statement of profit or loss for the year ended December 31, 2022	As previously reported	Effect of restatement and reclassification	As currently reported
Other income	12,776	(12,281)	495
Profit/(loss) before income tax	6,495	(12,281)	(5,786)
Profit/(loss) for the year	4,665	(12,281)	(7,616)

32. FAIR VALUE MEASUREMENT

Management assessed that the fair values of cash and bank balances, trade and other receivables, bank overdraft, and trade and other payables as at December 31, 2023 and 2022 approximate their carrying amounts largely due to the short-term maturities of these instruments.

Management assessed that the carrying amounts of long-term borrowings as at December 31, 2023 and 2022 approximate their fair values due to the fact that they bear variable interest rates that reflect current market interest rates for similar borrowings. As a result, the values of the future discounted cash flows on those borrowings are not significantly different from their current book values.

Financial assets measured at fair value in the consolidated statement of financial position are grouped into three levels as disclosed in the Group's accounting policies (Refer Note 4.11).

The fair values of the financial assets at FVTPL comprising quoted equity instruments are based on quoted prices in active markets, and accordingly, fall under level 1 category of the fair value hierarchy.

There have been no transfers made between the valuation levels during the current year and the previous years.

33. CORPORATE TAX IN THE UAE

On December 9, 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from June 1, 2023 and accordingly, it has an income tax related impact on the consolidated financial statements for accounting periods beginning on or after June 1, 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

The Group will be subject to taxation commencing January 1, 2024.

Based on the information available to the date of the issuance of the consolidated financial statements, management assessed that there is no deferred tax impact on account of the CT Law in the Group's consolidated financial statements as at December 31, 2023.

As certain other cabinet decisions are pending as of the date of the issuance of these consolidated financial statements, the Group will continue to assess the impact of these pending cabinet decisions on deferred taxes as and when finalised and published. Any resulting impact will accordingly be reflected in the Group's consolidated financial statements when such additional information will be substantively issued.

34. SUBSEQUENT EVENT

On December 27, 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, increasing the Group's stake from 60% to 100%. The acquisition of the 40% shares was completed in 2024.