

**Gulf Navigation Holding PJSC  
and its Subsidiaries**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2024**

## **Gulf Navigation Holding PJSC and its Subsidiaries**

### **Interim condensed consolidated financial statements June 30, 2024**

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**INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF  
GULF NAVIGATION HOLDING P.J.S.C****Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Gulf Navigation Holding P.J.S.C (the "Company") and its subsidiaries (collectively referred to as the "Group"), comprising the interim consolidated statement of financial position as at June 30, 2024, and the related interim consolidated statement of comprehensive income for the three months and six months then ended, and the related interim consolidated statements of changes in equity and cash flows for the six months then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 *Interim Financial Reporting* (IAS 34). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.



**GRANT THORNTON UAE**

**Dr. Osama El Bakry**  
**Registration No. 935**  
**Dubai, United Arab Emirates**

14 AUG 2024

Gulf Navigation Holding PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

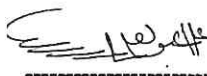
As at June 30, 2024

	Notes	June 30, 2024 AED'000 (Unaudited)	December 31, 2023 AED'000 (Audited)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Vessels, property and equipment	4	527,439	516,211
Goodwill	5	143,463	143,463
<b>Total non-current assets</b>		<b>670,902</b>	<b>659,674</b>
<b>Current assets</b>			
Inventories		9,103	9,084
Trade receivables, net		16,906	15,552
Advances and other assets	6	41,565	7,592
Financial assets at fair value through profit or loss	7	20,589	100,379
Cash and bank balances	8	227,153	210,059
<b>Total current assets</b>		<b>315,316</b>	<b>342,666</b>
<b>TOTAL ASSETS</b>		<b>986,218</b>	<b>1,002,340</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	837,696	837,696
Share premium	9, 10	34,426	35,734
Treasury shares	10	(189,595)	(96,281)
Statutory reserve		2,128	2,128
Accumulated losses		(27,267)	(2,570)
Other reserves	11	(181,071)	(181,071)
<b>Total equity</b>		<b>476,317</b>	<b>595,636</b>
<b>Non-current liabilities</b>			
Interest-bearing borrowings	12	81,320	94,163
Provision for employees' end-of-service benefits		1,179	1,255
<b>Total non-current liabilities</b>		<b>82,499</b>	<b>95,418</b>
<b>Current liabilities</b>			
Interest-bearing borrowings	12	22,903	25,684
Bank overdraft	12	201,947	180,187
Trade and other payables	13	202,552	105,415
<b>Total current liabilities</b>		<b>427,402</b>	<b>311,286</b>
<b>Total liabilities</b>		<b>509,901</b>	<b>406,704</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>986,218</b>	<b>1,002,340</b>

The interim condensed consolidated financial statements were approved by the Board of Directors on August 14, 2024 and signed on its behalf by:

  
 Dr. Abdul Rahman Al Afeefi  
 Board Member

  
 Ahmad "M.F." A. Al Kilani  
 Chief Executive Officer /  
 Board Member

  
 Ali Abouda  
 Chief Financial Officer

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Gulf Navigation Holding PJSC and its Subsidiaries

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended June 30, 2024

	Notes	Six months ended June 30, 2024		Three months ended June 30, 2024	
		AED'000 (Unaudited)	2023 AED'000 (Unaudited)	AED'000 (Unaudited)	2023 AED'000 (Unaudited)
Revenue	16	37,469	64,879	13,635	25,898
Direct costs	17	(53,590)	(54,206)	(26,128)	(21,061)
<b>GROSS (LOSS)/ PROFIT</b>		<b>(16,121)</b>	<b>10,673</b>	<b>(12,493)</b>	<b>4,837</b>
General and administrative expenses	18	(12,457)	(12,726)	(7,162)	(8,282)
Other operating income	4	-	24,834	-	24,834
<b>OPERATING (LOSS)/ PROFIT</b>		<b>(28,578)</b>	<b>22,781</b>	<b>(19,655)</b>	<b>21,389</b>
Other non-operating income	19	34,143	20,734	13,606	1,273
Other non-operating expenses	19	(23,412)	-	(3,796)	-
Finance cost	20	(11,836)	(14,815)	(5,862)	(8,176)
Finance income	8	4,986	-	2,493	-
<b>(LOSS)/ PROFIT BEFORE INCOME TAX</b>		<b>(24,697)</b>	<b>28,700</b>	<b>(13,214)</b>	<b>14,486</b>
Income tax	22	-	(915)	-	(458)
<b>(LOSS)/ PROFIT FOR THE PERIOD</b>		<b>(24,697)</b>	<b>27,785</b>	<b>(13,214)</b>	<b>14,028</b>
Other comprehensive income		-	-	-	-
<b>TOTAL COMPREHENSIVE (LOSS)/ INCOME FOR THE PERIOD</b>		<b>(24,697)</b>	<b>27,785</b>	<b>(13,214)</b>	<b>14,028</b>
<b>Earnings per share:</b>					
Basic and diluted (AED)	21	<b>(0.030)</b>	0.05	<b>(0.016)</b>	0.04

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.



**Gulf Navigation Holding PJSC and its Subsidiaries**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
For the six months ended June 30, 2024

	Share capital AED '000	Share premium AED '000	Treasury shares AED '000	Statutory reserve AED '000	Accumulated losses AED '000	Other reserves AED '000	Total AED '000
Balance at January 1, 2024 – Audited	837,696	35,734	(96,281)	2,128	(2,570)	(181,071)	595,636
Total comprehensive loss for the period	-	-	-	-	(24,697)	-	(24,697)
Treasury shares (Note 10)	-	(1,308)	(93,314)	-	-	-	(94,622)
<b>Balance at June 30, 2024 – Unaudited</b>	<b>837,696</b>	<b>34,426</b>	<b>(189,595)</b>	<b>2,128</b>	<b>(27,267)</b>	<b>(181,071)</b>	<b>476,317</b>
Balance at January 1, 2023 – Audited	1,275,391	8,452	(24,045)	19,747	(679,159)	(181,071)	419,315
Total comprehensive income for the period	-	-	-	-	27,785	-	27,785
Capital reduction and absorption of losses	(637,695)	-	-	(19,747)	657,442	-	-
Treasury shares (Note 10)	-	34,928	4,802	-	-	-	39,730
<b>Balance at June 30, 2023 – Unaudited</b>	<b>637,696</b>	<b>43,380</b>	<b>(19,243)</b>	<b>-</b>	<b>6,068</b>	<b>(181,071)</b>	<b>486,830</b>

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

Gulf Navigation Holding PJSC and its Subsidiaries  
INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS  
For the six months ended June 30, 2024

		<i>Six months ended June 30,</i>	
	Notes	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>
<b>OPERATING ACTIVITIES</b>			
(Loss)/profit before income tax		(24,697)	28,700
<i>Adjustments for:</i>			
Depreciation of vessels, property and equipment	4	12,055	17,031
Change in fair value of financial assets at FVTPL	19	16,727	(896)
Finance costs	20	11,836	14,815
Finance income		(4,986)	-
Provision for employees' end of service benefits		143	20
Other non-operating income	19	(32,804)	(24,834)
Other non-operating expense	19	6,685	-
Write-back of liabilities		-	(19,461)
Allowance for expected credit losses		-	1,000
Operating cash flows before changes in working capital		(15,041)	16,375
<i>Working capital changes:</i>			
Inventories		(19)	266
Trade receivables, advances and other assets		(30,008)	(23,191)
Trade and other payables		5,412	9,139
<b>Cash (used in)/from operations</b>		(39,656)	2,589
Employees' end of service benefits paid		(219)	(99)
Insurance claim received, net		26,119	-
<b>Net cash flows (used in)/from operating activities</b>		(13,756)	2,490
<b>INVESTING ACTIVITIES</b>			
Proceeds from disposal of financial assets at FVTPL		63,063	2,623
Additions to vessels, property and equipment		(23,283)	-
Investments in financial assets at FVTPL		-	(16,924)
Proceeds from sale of a vessel		-	99,472
<b>Net cash flows from investing activities</b>		39,780	85,171
<b>FINANCING ACTIVITIES</b>			
Movement in treasury shares, net	10	(94,622)	39,730
Repayment of interest-bearing borrowings	12	(15,958)	(90,210)
Proceeds from bank facility		21,760	-
Financing from the liquidity provider	13	91,726	-
Interest paid		(11,836)	(8,733)
Advance to broker for settlement for Sukuk		-	(31,110)
<b>Net cash flows used in financing activities</b>		(8,930)	(90,323)
<b>Net change in cash and cash equivalents</b>		17,094	(2,662)
Cash and cash equivalents at the beginning of the period		10,059	17,801
<b>Cash and cash equivalents at the end of the period</b>	8	27,153	15,139

The attached notes 1 to 22 form part of these interim condensed consolidated financial statements.

## Gulf Navigation Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS June 30, 2024

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#### 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 and in accordance with the UAE Federal Decree-Law No. (32) of 2021. The Company is listed on the Dubai Financial Market. The Company operates from its office on the 39<sup>th</sup> 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 interim condensed consolidated financial statements include the assets, liabilities and results of operations of the Company and its subsidiaries and branches as disclosed in the Group's annual consolidated financial statements as at December 31, 2023.

Certain comparative information has been reclassified to conform to the presentation adopted in these interim condensed consolidated financial statements. Such reclassifications did not have any impact on the previously reported net assets and results of the Group.

#### 2 BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

##### 2.1 Basis of preparation

These interim condensed consolidated financial statements for the six months ended June 30, 2024 have been prepared in accordance with IAS 34: *Interim Financial Reporting*.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at December 31, 2023. In addition, the results for the six months ended June 30, 2024 may not be indicative of the results that may be expected for the financial year ending December 31, 2024.

When preparing the interim condensed consolidated financial statements, management undertakes a number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

##### 2.2 Going concern

The Group incurred a loss of AED 24,697 thousand for the six-month period ended June 30, 2024 and, as of that date, its current liabilities exceeded its current assets by AED 112,086 thousand. Notwithstanding, the interim condensed consolidated financial statements have been prepared on a going concern basis given that 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 interim condensed consolidated financial statements and has a reasonable expectation that the Group will have adequate resources to continue its operational existence in the foreseeable future.

##### 2.3 New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of these interim condensed financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended December 31, 2023 except for the adoption of new standards effective as of January 1, 2024 where appropriate. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2024 and have therefore been adopted by the Group. However, these amendments do not have any significant impact on the interim condensed consolidated financial statements of the Group, and therefore, further disclosures have not been made.

##### 2.4 Fair value measurement

All financial assets and liabilities are stated at amortised cost or historical cost in these interim condensed consolidated financial statements, except for financial assets at fair value through profit or loss, which have been carried at fair value using Level 1 category of fair value measurement.



## Gulf Navigation Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS June 30, 2024

#### 3 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 not changed from December 31, 2023.

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.

##### Geographical 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.

##### Six-month ended June 30, 2024 – Unaudited

	<i>Vessel chartering</i>	<i>Shipping and technical services</i>	<i>Corporate</i>	<i>Inter- segment elimination</i>	<i>Total</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
Revenue	35,165	2,216	-	88	37,469
Direct costs	(49,691)	(3,811)	-	(88)	(53,590)
General and administrative expenses	(1,689)	(1,804)	(8,964)	-	(12,457)
Other non-operating income	34,142	-	-	-	34,142
Other non-operating expenses	-	-	(23,411)	-	(23,411)
Finance costs	(5,992)	(7)	(5,837)	-	(11,836)
Finance income	-	-	4,986	-	4,986
Segment loss	11,935	(3,406)	(33,226)	-	(24,697)
<b>At June 30, 2024 – Unaudited</b>					
Segment assets	894,660	878	90,680	-	986,218
Segment liabilities	(221,565)	(2,306)	(286,030)	-	(509,901)

# Gulf Navigation Holding PJSC and its Subsidiaries

## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2024

### 3 OPERATING SEGMENTS (continued)

Six-month ended June 30, 2023 – Unaudited

	Vessel chartering AED'000	Shipping and technical services AED'000	Corporate AED'000	Inter-segment elimination AED'000	Total AED'000
Revenue	61,909	3,006	200	(236)	64,879
Direct costs	(52,352)	(2,090)	-	236	(54,206)
General and administrative expenses	(850)	(2,673)	(9,395)	192	(12,726)
Other income	45,733	27	-	(192)	45,568
Finance costs	(12,304)	(5)	(2,506)	-	(14,815)
Income tax	(915)	-	-	-	(915)
Segment profit/ (loss)	41,221	(1,735)	(11,701)	-	27,785

At June 30, 2023 – Unaudited

Segment assets	603,085	14,150	142,733	(1,450)	758,518
Segment liabilities	(198,422)	(5,030)	(69,578)	1,342	(271,688)

### 4 VESSELS, PROPERTY AND EQUIPMENT

During the six-month period ended June 30, 2024, the Group did not purchase any vessels, property and equipment but incurred capital expenditure towards dry dock and major maintenance of one of the Group's vessels amounting to AED 23,283 thousand (2023: Nil).

During the six-month period ended June 30, 2023, the Group sold a vessel with a carrying amount of AED 74,638 thousand for a cash consideration of AED 99,261 thousand resulting in a gain of AED 24,834 thousand.

Vessels with a carrying value of AED 502,578 thousand (2023: AED 424,938 thousand) are mortgaged as security against interest-bearing borrowings.

Management had performed a detailed impairment assessment of vessels, property and equipment as at December 31, 2023 and had not identified any impairment. The impairment was assessed by comparing the carrying value of vessels with their recoverable amounts, which is the higher of fair value less cost of disposal and the value in use. At June 30, 2024, management did not identify any indications that vessels, property and equipment may be impaired.

Depreciation expense has been allocated as follows:

	Six months ended June 30	
	2024	2023
	AED '000	AED '000
	(Unaudited)	(Unaudited)
Direct costs* (Note 17)	12,044	16,711
General and administrative expenses (Note 18)	11	320
	12,055	17,031

\* Includes depreciation related to dry-docking costs of AED 3,319 thousand (2023: AED 3,918 thousand)

### 5 GOODWILL

	June 30 2024	December 31 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
Gross carrying value	219,912	219,912
Accumulated impairment loss	(76,449)	(76,449)
Net carrying value	143,463	143,463

## Gulf Navigation Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS June 30, 2024

#### 5 GOODWILL (continued)

The goodwill of AED 135,999 thousand and AED 83,913 thousand that arose at the time of the initial public offer (IPO) and acquisition of livestock vessels in 2018, respectively, have been allocated to the vessel owning and chartering reporting segment.

Management had performed a detailed impairment assessment of goodwill as at December 31, 2023. Based on its assessment, no further impairment loss was recognized in the Group's consolidated financial statements for the year ended December 31, 2023. Management did not identify any indications of further impairment to goodwill as at June 30, 2024.

#### 6 Advances and other assets

	<i>June 30</i> <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>December 31</i> <i>2023</i> <i>AED'000</i> <i>(Audited)</i>
Advances to suppliers	30,188	3,374
Accrued interest on fixed deposit	7,653	2,667
Prepayments	3,724	1,551
	<u>41,565</u>	<u>7,592</u>

#### 7 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The Group has 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 or loss (FVTPL). The movement in the investments in financial assets at FVTPL is as follows:

	<i>June 30,</i> <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>December 31,</i> <i>2023</i> <i>AED'000</i> <i>(Audited)</i>
At the beginning of the period/ year	100,379	-
Acquisitions	-	178,423
Disposals	(63,063)	(76,035)
Change in fair value (Note 19)	(16,727)	(2,009)
At the end of the period/year	<u>20,589</u>	<u>100,379</u>

#### 8 CASH AND CASH EQUIVALENTS

	<i>June 30</i> <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>December 31</i> <i>2023</i> <i>AED'000</i> <i>(Audited)</i>
Cash in hand	53	83
Cash at banks – current accounts	27,100	9,976
Cash at bank – fixed deposit	200,000	200,000
Cash and bank balances	<u>227,153</u>	<u>210,059</u>
Less: fixed deposit (with initial maturity of more than three months)	(200,000)	(200,000)
Cash and cash equivalents	<u>27,153</u>	<u>10,059</u>

## Gulf Navigation Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS June 30, 2024

#### 9 SHARE CAPITAL

	<i>June 30</i> <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>December 31</i> <i>2023</i> <i>AED'000</i> <i>(Audited)</i>
Authorised, issued and fully paid-up share capital 837,695,625 shares (2023: 837,695,625) of AED 1 each	<u>837,696</u>	<u>837,696</u>

#### 10 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 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").

Consequently, 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	
	<i>June 30</i> <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>December 31</i> <i>2023</i> <i>AED'000</i> <i>(Audited)</i>	<i>June 30</i> <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>December 31</i> <i>2023</i> <i>AED'000</i> <i>(Audited)</i>
Held under the legal name of:				
- the Company	575,000	575,000	334	334
- the liquidity provider	19,038,159	13,465,854	189,261	95,947
Total	<u>19,613,159</u>	<u>14,040,854</u>	<u>189,595</u>	<u>96,281</u>

In accordance with the signed agreement, the liquidity provider has partially funded the acquisition of the treasury shares (Note 13).

#### 11 OTHER RESERVES

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

#### 12 INTEREST-BEARING BORROWINGS

	<i>June 30</i> <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>December 31</i> <i>2023</i> <i>AED'000</i> <i>(Audited)</i>
Term loans (a)	104,223	119,847
Bank overdraft (b)	201,947	180,187
<b>Total interest-bearing borrowings</b>	<u>306,170</u>	<u>300,034</u>
Less: non-current portion	(81,320)	(94,163)
Current portion	<u>224,850</u>	<u>205,871</u>

Gulf Navigation Holding PJSC and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
June 30, 2024

12 INTEREST-BEARING BORROWINGS (continued)

(a) Term loans

The movement the term loans was as follows:

	<i>June 30, 2024 AED'000 (Unaudited)</i>	<i>December 31, 2023 AED'000 (Audited)</i>
At January 1,	119,847	233,323
Add: amortization of arrangement fee	334	1,419
Less: repayments during the period/year	(15,958)	(106,375)
Less: write back	-	(8,520)
	<u>104,223</u>	<u>119,847</u>

At June 30, 2024 and December 31, 2023, the Group had one term loan, which was 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 June 30, 2024 (2023: all met).

The write-back of AED 8,520 thousand in 2023 is related to a settlement agreement made with a lender with regards to two term loans that were fully settled in 2023 along with accrued interest of AED 10,941 thousand (Note 19). In addition, in 202, upon sale of a vessel, the related remaining portion of the term loan of AED 41.9 million was fully settled.

(b) Bank overdraft

During the third quarter of 2023, the Group obtained a bank overdraft facility with a limit of AED 200 million secured by a fixed deposit (Note 8), which was 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.

13 TRADE AND OTHER PAYABLES

	<i>June 30 2024 AED'000 (Unaudited)</i>	<i>December 31 2023 AED'000 (Audited)</i>
Payable to liquidity provider (Note 10)	162,650	70,924
Trade payables	17,913	19,231
Tax accrual	2,374	2,374
Advances from customers	-	445
Accruals, provisions and other payables	19,615	12,441
	<u>202,552</u>	<u>105,415</u>

14 RELATED PARTY TRANSACTIONS

Key management personnel remuneration

	<i>Six months ended June 30 2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited)</i>
Directors' fees	1,755	2,450
Post-employment benefits	1,335	106
Short-term benefits	-	1,543
	<u>3,090</u>	<u>4,099</u>



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**15 COMMITMENTS AND CONTINGENCIES**

At 30 June 2024, the Group did not have any contingent liabilities or capital commitments (2023: None).

**16 REVENUE**

	<i>Six months ended</i>	
	<i>June 30</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Services transferred over time</i>		
Vessel chartering	35,253	61,909
<i>Services transferred at a point in time</i>		
Shipping and technical services	2,216	2,970
	<u>37,469</u>	<u>64,879</u>

**17 DIRECT COSTS**

	<i>Six months ended</i>	
	<i>June 30</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Vessel chartering:</i>		
Ship running costs - vessels	37,214	30,652
Depreciation of vessels, property and equipment (Note 4)	12,044	16,711
Ship running costs - crew boats	2,186	2,090
Ship repairs	-	429
<i>Shipping and technical services:</i>		
Operating expenses	2,146	4,324
	<u>53,590</u>	<u>54,206</u>

**18 GENERAL AND ADMINISTRATIVE EXPENSES**

	<i>Six months ended</i>	
	<i>June 30</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Staff costs	4,051	4,825
Professional fees	2,688	1,261
Directors' fees	1,755	2,450
Depreciation of vessels, property and equipment (Note 4)	11	320
Expected credit losses on trade receivables	-	1,000
Others	3,952	2,870
	<u>12,457</u>	<u>12,726</u>

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**19 OTHER NON-OPERATING INCOME AND EXPENSES**

**Other non-operating income**

	<i>Six months ended</i>	
	<i>June 30</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Insurance claim revenue*	32,804	-
Write back on loans and related accrued interest	-	19,461
Change in fair value of financial assets at fair value through profit or loss	-	896
Others	1,339	377
	<u>34,143</u>	<u>20,734</u>

**Other non-operating expenses**

	<i>Six months ended</i>	
	<i>June 30</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Change in fair value of financial assets at fair value through profit or loss	16,727	-
Vessel repair*	6,685	-
	<u>23,412</u>	<u>-</u>

\* During the six months ended June 30, 2024, the Group incurred expenses with regards to the repair of a vessel as a result of a flood in the engine room, for which the Group was able to claim an amount of AED 32,804 thousand under the vessel's insurance contract (Note 19).

**20 FINANCE COSTS**

	<i>Six months ended</i>	
	<i>June 30</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Finance costs on:		
- Short-term loan	5,724	-
- Term loans	5,650	11,255
- Amortisation of arrangement fee	334	-
- Islamic non-convertible sukuk	-	2,293
Others	128	1,267
	<u>11,836</u>	<u>14,815</u>

## Gulf Navigation Holding PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS June 30, 2024

#### 21 BASIC AND DILUTED EARNINGS PER SHARE

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

	<i>Six months ended</i>	
	<i>June 30</i>	
	<i>2024</i>	<i>2023</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
(Loss)/profit for the period (AED'000)	<u>(24,697)</u>	<u>27,785</u>
Weighted average number of ordinary shares* (Note 10) ('000)	<u>818,618</u>	<u>607,775</u>
Basic and diluted earnings per share (AED)	<u>(0.030)</u>	<u>0.05</u>

\* The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares during the period.

#### 22 UAE CORPORATE TAX

The Company and its UAE subsidiaries became taxable effective January 1, 2024 at the rate of 9% applicable to taxable income exceeding AED 375,000. However, no current income tax expense has been recorded by the Group for the six months ended June 30, 2024 on the basis that the Group incurred taxable losses.

Based on the information available to the date of the issuance of the interim condensed consolidated financial statements, management, with the support of its tax consultant, assessed the deferred tax implications on the Group and concluded that it is not significant as at and for the six months ended June 30, 2024. As certain other cabinet decisions are pending as of the date of the issuance of these interim condensed financial statements, the Group will continue to assess the impact of these pending cabinet decisions on deferred taxes as and when finalised and published.