

Press Release:

**Gulf Navigation reports the Audited Annual Results of 2020
records a Gross Profit of 4.5 million dirhams & recommends 10% stock buyback**

Dubai, UAE, 31 March 2021: Gulf Navigation Holding PJSC (“GULFNAV”) the Dubai Financial Market listed maritime and shipping company, announced its annual audited financial results of 2020, reporting a gross profit of 4.5 million dirhams compared to a gross loss of 5.6 million dirhams recorded in 2019.

Major Highlights:

- Gross Revenue reached 146 million dirhams as of 31 Dec 2020 compared to 166 million dirhams for the same period in 2019.
- Total Assets stood at 862 million dirhams
- Gross Profits of 4.5 million dirhams driven by the petrochemical vessel chartering business.
- Net loss for the year amounted to AED 279 million compared to the net loss of 327 million dirhams in 2019.
- Completion of debt restructuring and debt refinancing by 2021.

2021 Recovery Plan

The year 2020 witnessed major challenges for the company, starting with the impact of the COVID-19 pandemic on all sectors, and ending with the unfortunate incident related to the sinking of the ship Gulf Livestock 1 (“GL1”) in September of last year. The company has been keen to ensure the continuity of all operations and re-negotiate with all lenders to refinance its debts in order to support the company's future financial and operational performance. Earlier this year, the company reached an initial agreement with the majority of the lenders on new and flexible terms that will allow the company to adapt to the current market conditions and achieve better growth.

Despite recording losses of 279 million dirhams, due to the decrease in activities of livestock carriers as a result of losing the ship, the company was able to reach a final agreement with the insurance company to ensure the collection of insurance amounts arising from the loss of GL1. The collected insurance amounts will contribute to enhancing the liquidity of the company, which in turn, will support operational activities.

Acquiring a fleet of tankers

In light of the company's strategy which aims at diversifying investments and enhancing shareholder value, the Board of Directors has already started working on several initiatives to improve the capital of the company, which will lead to enhancing shareholders' equity. As part of that strategy, the Company signed a Memorandum of Understanding with the Greek Company Empire Navigation Inc (“ENI”) for the purpose of acquiring a fleet of petrochemical and dry bulk carriers, which will contribute to diversifying the company's investments and enhancing its ability to enter new markets and expand its client base locally and the GCC.

It is worth mentioning that ENI owns a diversified and modern fleet of 20 petrochemical vessels and 16 dry bulk ships. The company, established in 2009, is based in Athens, Greece. It specializes in the commercial and technical management of modern oil and chemical tanker vessels. ENI is well known for its commitment to maintaining the highest standards of quality and safety in all its operations.

Issuing \$50 Million Mandatory Convertible Islamic Sukuk

The company has started the procedure for issuing Mandatory Convertible Islamic Sukuk with a maximum value of up to 50 million dollars, once the necessary approvals have been obtained from the regulatory authorities. The details of the issuance will be presented to the shareholders at the next annual general assembly which will be held in April 2021. This issuance aims to convert part of the company's debt into shares, thus increasing the paid-up capital and reducing the ratio of accumulated losses to the capital.

Stock Buyback

The Board of Directors approved the recommendation to buy back 10% of the company's shares. Whereby the liquidity stemming from the sums collected from the insurance company, in addition to the excess liquidity resulting from the debt refinancing process, will be used to buy the company's shares after fulfilling the conditions and requirements necessary by the regulatory authorities. This direction, to repurchase some of its shares, aims at supporting the stock during the current period in which the markets are witnessing a state of relative weakness, and will contribute to enhancing investor confidence, which will lead to more stability and improve the market profitability for the stock in the future.

Gulf Navigation will focus on taking advantage of all opportunities that enable the company to overcome the current global crisis. Management is also keen to continue aligning the company on the right path in order to achieve its ambitious goals for the coming years. In addition, the company has made major changes to the operating model and reduced administrative expenses in order to enhance growth and sustainability. It is expected that the measures taken by the Board of Directors, and the

initiatives adopted at the beginning of this year, will positively impact the upcoming results. As the company has already started reaping the fruits of these initiatives, which were necessary in order to achieve a profit margin that will pave the way for the company to thrive in the coming years.

Among the many objectives set by the company, for the year 2021, is to enter into several regional and global strategic partnerships, which will offer the company varied opportunities and the ability to grow and provide its services in the field of ship owning and management, maritime services, shipping agency, ship maintenance and building, maritime technical consultancy and maritime project management. This will contribute to realizing the company's vision to diversify its portfolio, expand its assets, provide added value to shareholders and introduce integrated quality maritime services according to the highest global standards in security, safety and environmental protection.

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About Gulf Navigation Holding:

Gulf Navigation Holding PJSC ("GNH") is a fully integrated and synergized organization with a multifunctional business. It is the only maritime and shipping company listed in the Dubai Financial Market since February 2007 under the symbol "GULFNAV". The company is headquartered in Dubai, with branch offices inside the port of Fujairah, Khorfakkan, Abu Dhabi and an overseas office in the Kingdom of Saudi Arabia. The company has a fleet of chemical tankers, livestock transport vessels, operation support vessels, marine services, and ship repair operations. As an ISO 9001:2015 certified company accredited by Bureau Veritas, GNH 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. GNH constantly works to upgrade its operations and provide high-quality services to local and international markets. This opens new opportunities to improve GNH's services to existing customers while attracting new customers.

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