

Date: 10/03/2025

Ref: GNHGroup-NM/2025/BS/019

To: H.E. Hamed Ahmed Ali
Chief Executive Officer
Dubai Financial Market
UAE - Dubai

**Clarification regarding
the invitation of the General Assembly Meeting**

In reference to the invitation to the General Assembly meeting published on 19 February 2025, Gulf Navigation Holding PJSC (the "Company") would like to provide the following clarification regarding the agenda for the upcoming General Assembly meeting which will be held on Thursday, 13 March 2025, at 3:00 PM.

During the meeting, an acquisition deal for several companies and assets owned by Brooge Energy Limited will be considered. This acquisition is a major strategic move for the Company. This deal represents a significant strategic step for the Company and aligns with its approach to driving growth and offering a comprehensive portfolio of logistics services related to petroleum, petrochemicals, and gas. Brooge, headquartered in the Emirate of Fujairah, is a leading company in the storage of crude oil, fuel oil, and refined fuel products. The company currently has a storage capacity of one million cubic meters of crude oil and petroleum derivatives, equivalent to 6.3 million barrels of oil. Moreover, the company aims to double its storage capacity in the coming years. The following key actions will be considered by the shareholders during the General Assembly:

1. **Acquisition of Companies:** The Company is looking to acquire Brooge Petroleum and Gas Investment Company FZE, Brooge Petroleum and Gas Investment Company Phase III FZE, and BPGIC Phase 3 Limited. These companies operate in the energy sector and are expected to contribute significantly to Gulf Navigation's growth.
2. **Share Capital Increase:** To finance the acquisition, Gulf Navigation is proposing to increase its share capital by issuing 358,841,476 new shares. These new shares will be issued to Brooge Energy Limited as part of the transaction and will be subject to a 1 year lock-up period.
3. **Issuance of Mandatory Convertible Bonds ("MCBs"):** Gulf Navigation is also proposing to issue MCBs in two parts:
 - a. Approximately AED 2.3 billion worth of MCBs will be issued to Brooge Energy Limited, which will be converted into shares, with a one-year lock-up period.
 - b. Additionally, AED 500 million in MCBs will be issued exclusively to the current shareholders, at a price of AED 1.10 per bond, to be converted into shares within three months. With the commitment of Major shareholders not to subscribe to these MCBs,



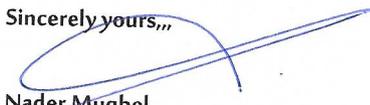
except for any that remain unsubscribed by minor shareholders during the last two days of the subscription period. **Noting that the subscription in these MCBs is optional and not mandatory.**

It is worth noting that major shareholders refer to the list of shareholders who, along with their affiliated groups (directly or indirectly), own 5% or more of the Company's capital. Meanwhile, minor shareholders are those who own less than 5% of the Company's capital. Additionally, all relevant dates related to the issuance of AED 500 million in MCBs - exclusively for existing shareholders - will be disclosed after obtaining the General Assembly's approval of the deal and the payment methods for the transaction.

4. **Cash Payment for a portion of the Acquisition:** In addition to the issuance of shares and MCBs, the Company intends to pay AED 460 million in cash as part of the overall acquisition price.
5. **Valuation Reports:** Two separate valuation reports will be presented for shareholder consideration, each with significant implications for the transaction:
 - a. **The valuation report prepared by the independent evaluator appointed by the Securities and Commodities Authority:**
An independent valuation of the Company and the Acquired Companies, commissioned by the Securities and Commodities Authority, has placed a higher value on Gulf Navigation's share price compared to the valuation provided by the Company's advisor. Shareholders will be asked to review and vote on this report, as it will directly influence the perceived fairness of the acquisition price and may significantly impact the outcome of the deal.
 - b. **The valuation report prepared by the Company's advisor:** The Company's advisor has provided a valuation report suggesting a different share price for the Company and the companies to be acquired, which has been supported by Brooge Energy Limited in the context of the acquisition. While the Board of Directors recommends approval of this valuation, the difference between these two reports is an important consideration for shareholders in assessing the transaction's fairness.

The outcome of the votes on these two valuations will be critical in deciding whether the acquisition moves forward, as they directly affect the terms and financial aspects of the deal. The proposed acquisition and the accompanying transactions, including the increase in share capital, the issuance of new shares, and the MCBs, are essential for the Company's strategic expansion into the energy sector and are expected to strengthen Gulf Navigation's financial position and market presence. Thus, we encourage all shareholders to review the details and attend the General Assembly meeting to participate in the decision-making process.

Sincerely yours,


Nader Muqbel

Investor Relations Director

Gulf Navigation Holding PJSC

**GULF
NAV**

الخليج للملاحة القابضة ش.م.ع
GULF NAVIGATION HOLDING PJSC
P.O. Box 49651, Dubai - UAE (A1)



www.gulfnav.com

T +971 4 427 0104, F +971 4 427 0103
Office 3901-3902, 39th Floor, API Trio Tower
Al Barsha 1, PO Box 49651, Dubai, UAE