

MANAGING DIRECTOR'S MESSAGE



Dear Shareholders and Stakeholders,

I am pleased to present the integrated report of our Company for the year 2022. This report represents our commitment to transparency, accountability, and sustainability, as we strive to deliver long-term value to all our stakeholders.

The year 2022 was a challenging one for our industry, as we faced unprecedented disruptions caused by the COVID-19 pandemic, geopolitical tensions, and volatile market conditions. Despite these challenges, GULFNAV remained resilient and continued to operate safely and efficiently, while maintaining our focus on sustainability.

In this integrated report, you will find a comprehensive overview of our performance, including financial and non-financial information. We have adopted a holistic approach to reporting, which reflects our belief that sustainable development is not just about financial performance but also about social and environmental impact.

2022 was a turnaround year for GULFNAV; one that was filled with major achievements that were aimed towards reinforcing the foundation of the Company to improve its operational and financial performance and prepare it for sustainable

long-term growth. These achievements included refinancing five petrochemical tankers under better rates and preferential terms for 5 years. We also reduced our financing costs by converting more than 85 million dirhams of the Company's debts into shares, which led to improving debt conditions and reduced the total cost of borrowing. Thus, the Company is currently enjoying a stability phase supported by the cost control measures adopted by executive management for the last couple of years.

Despite the challenges facing our Company and the consequent volatile market conditions and supply chain disruptions, GULFNAV improved performance and increased operating revenue by 13% reaching 137 million dirhams. This was achieved by optimum utilization of the fleet and improvement in agency services. By managing our expenses through carefully applied cost reductions and synergies, whilst achieving efficiencies across our operations, GULFNAV remained profitable in 2022.

As a maritime shipping company, GULFNAV is strongly committed to supporting the efforts of the UAE and the global community to drive down emissions and eliminate resource waste through a variety of innovative approaches applied across our operations. I am proud to report that our Company has made significant progress towards our sustainability goals. We have reduced our carbon footprint and improved our safety performance. We have also strengthened our governance framework and enhanced our risk management practices. We are always committed to conducting our business in a responsible and sustainable manner, while delivering value to our shareholders.

Our goal for 2023 is to strengthen the Company's capital by entering into strategic partnerships that will provide GULFNAV with the opportunity to increase its assets, enter new markets and grow its customer base by modernizing the company's maritime fleet and in line with the Company's strategy to expand its business locally and in the GCC countries.

The credit for what the Company has achieved today is due to the directives of our wise leadership, and their constant and continuous support for our ambitious plans. The foundations laid in the last 2 years will help drive us forward and achieve sustainable long-term growth and further cement our position in the shipping sector, creating value for our customers and shareholders alike.

Finally, in what has been a challenging year for our Company, and our industry as a whole, I wish to express my gratitude to our shareholders, Board of Directors, management, and employees for their contribution to GULFNAV's success, and look forward to our new voyage ahead towards sustainable long-term prosperity.

Ahmad Kilani

Board Member / Managing Director

