الخليـج للملاحـة القابضـة (ش.م.ع)
Gulf Navigation Holding PJSC

Press Release:

Gulf Navigation reports the Audited Annual Results of 2021
Recording Net Profits of 60 million Dirhams

Dubai, UAE, 31 March 2022: Gulf Navigation Holding PJSC ("GULFNAV") the Dubai Financial Market listed maritime and shipping company, announced its annual audited financial results of 2021, reporting a net profit of 60 million dirhams compared to a net loss of 285 million dirhams in 2020. This major shift to profitability comes as a result of the initiatives taken by the company and the major changes to the operations model; in addition to the strategy set by the company's board of directors to focus on profitable operations, through new and flexible contracts and partnerships with trusted customers and exiting unprofitable business sectors.

Major Highlights:

- Gross Revenue reached 122 million dirhams as of 31 Dec 2021 compared to 143 million dirhams for the same period in 2020.
- Gross Profits of 24 million dirhams in 2021 compared to a Gross Loss of 520 thousand dirhams in 2020.
- Shareholders' equity increased by 19% to 377 million dirhams as of 31 Dec 2021 compared to 318 million dirhams in 2020.
- Total Assets stood at 834 million dirhams by the end of 2021 compared to 862 million dirhams for the same period in 2020.

Shift to profitability

Commenting on the results, His Highness Sheikh Theyab bin Tahnoon bin Mohammad Al Nahyan, Chairman of Gulf Navigation Holding said:" We are pleased to announce a strong financial and operational performance in a period that was very difficult for companies in the region and around the world. Despite the continuing challenges resulting from the "Covid-19" pandemic regionally, Gulf Navigation was able to achieve remarkable growth in various areas of its business, driven essentially by the support of the UAE government and its efforts to lift the economy and help it recover, which in turn enabled us to achieve such results."

Total shareholders' equity increased by 19% to 377 million dirhams as of 31 Dec 2021, compared to 318 million dirhams in 2020. Operating costs decreased by 31% to 98 million dirhams in 2021, compared to 143 million dirhams during the same period in 2020. As part of its efforts to improve its performance, The company also reduced financing costs by 13%.

Sheikh Theyab added:" Gulf Navigation's strong financial results over the past year are testament to the effectiveness of our business model, excellent management team, and efficient growth and diversification strategy. The company achieved a strong performance during 2021, which was driven by high demand for our services, increased revenue margins and the continued implementation of strict cost control measures."

Debt Restructuring

The management's effort in negotiating with all lenders and restructuring the company's debts reflected positively on the company's results by benefiting from the reduction of debt provisions. Furthermore, it has supported the company's position to adapt to the current market conditions and fulfil all its obligations without hindering the operational performance. Loans worth more than 300 million dirhams were restructured and refinanced under new and flexible terms that support the company's financial and operational performance for the coming years.

"The company's success in the debt restructuring process reflects the banks' confidence in the company's assets and its management that is determined to continue on the path of "corrective approach". The focus during the next few years will be on enhancing revenues and improving profit margins through effective fleet management, stabilizing the performance of the vessels and chartering them to reliable customers on a long-term basis, which will pave the way for the company to expand, grow and increase its maritime fleet. The Company is currently enjoying a stability phase supported by the cost control measures pursued by the company's management and the continued focus on the strategy of growth and expansion." Sheikh Theyab added.

Issuing 150 million Dirhams Mandatory Convertible Bonds

The company has started the procedure for issuing Mandatory Convertible Bonds with a maximum value of up to 150 million dirhams, after the necessary approvals have been obtained from the regulatory authorities and the general assembly. The updates of the issuance will be presented to the shareholders at the next annual general assembly which will be held in April 2022. 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 below 50%.

2022 Goals

In light of the Company's strategy which aims at diversifying investments and enhancing shareholder value, the Board of Directors is assessing several initiatives with the goal of strengthening the Company's capital, which will lead to enhancing shareholders' equity. As part of that strategy, the Company is studying several options to enter into new investments in the field 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 customer base by modernizing the company's maritime fleet and in line with the company's future strategy to expand its business locally and in the GCC countries.

Among the goals for the year 2022, the Company plans 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.

Sheikh Theyab concluded:" We look forward to sustained success and to announce positive results in 2022; and in line with the framework of our vision to continue the corrective approach, build strategic partnerships with international companies and achieve the greatest returns for our partners and trusting shareholders, we will continue to work to achieve strong results and maintain our growth momentum. 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 and the maritime sector in the country. The foundations laid in 2021 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, communities and shareholders alike.

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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 GHN's services to existing customers while attracting new customers.

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