Press Release:

Gulf Navigation completes repayment of a $2.7 million loan

100% of the Ship's revenues will go to the company after the mortgage is released

Dubai, UAE, 4 September 2022: Gulf Navigation Holding PJSC ("GULFNAV") the Dubai Financial Market listed maritime and shipping company, announced successfully completing the full repayment of a loan for one of its vessels. The $2.7 million loan was financed by "Rasmala" with an interest rate of 12%. Thus, after the mortgage has been released, the full proceeds of this vessel will pour into the Company without any deductions, which enhances the Company's profitability and cash flow during the next short period.

This achievement comes as a continuation of the Company's efforts to reduce financing costs, following an announcement made by the Company last August that it had refinanced 5 petrochemical tankers under new and preferential terms with a major Chinese lender. The 5-year refinancing agreement was signed at a low interest margin not exceeding 4%, which allowed the company to completely fulfill all its obligations to some lenders and reduce the total cost of borrowing. Thus, avoiding the risks of refinancing if required in the future.

The Company further clarified that it was able to reduce financing costs by 40% compared to 2020. Furthermore, premium costs stood at 35 million dirhams annually as at the end of 2020, and it is expected that this figure will be reduced to 24 million dirhams by the end of 2022 and continue to go down to 18 million dirhams by the end of 2023. In addition, the amount of debt was 433 million dirhams at the end of 2020, compared to 294 million dirhams today. The Company estimates that these measures will have a positive impact on the company's results in the third quarter of this year.

As a result of the strict measures taken by the Board of Directors and its cost control policy, the Company today owns two vessels without any commitments or loans, which is a tremendous achievement, as all its vessels were always mortgaged to lenders in the past. Today, the Company has reached a stage that allows it to refinance its assets if the need arises, or to sell these ships in order to replace them with new ships that can win long-term contracts.

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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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