



Detailed analysis of accumulated losses

Date	11 August 2020
Name of the Listed Company	Gulf Navigation Holding PJSC
Define the period of the financial statements	For the period ended 31 March 2020
Value of the Accumulated losses	AED 463,121,000
Accumulated losses to capital ratio	45%
The main reasons leading to these accumulated losses and their history	<ul style="list-style-type: none">- Decrease in the revenue of all vessels. Some vessels were off hire during Q1 2020. In addition, one chemical tanker was earning low charter hire due to spot market volatility.- The increase in net finance cost.
Measures to be taken to address accumulated losses:	<ul style="list-style-type: none">- The Group is in the process of issuing of Islamic non-convertible sukuk amounting to AED 125m by way of a private placement. The proceeds from issuance of the Islamic non-convertible sukuk are being utilized to settle overdue liabilities, repayment of overdue debt, and meet working capital requirements.- The Group is also working to get all its vessels employed at profitable rates to improve profitability and reduce the accumulated losses.- The recent decline in oil prices will reduce the bunker cost on certain vessels where the cost is borne by the Group, and is expected to lead to higher profitability.



الخليج للملاحة القابضة (ش.م.ع.)
Gulf Navigation Holding PJSC

The Name of the Authorized Signatory	Ahmad Kilani 
Designation	Board Member
Signature and Date	11 August 2020
Company's Seal	