# Financial Review

## 2025 marked a transformative year for the Group, underpinned by the successful acquisition of BPGIC, a significant increase in assets, revenue growth, and the expansion of our infrastructure platform.

In 2025, the Group's revenue increased by 9.5% to AED 307.5 million[1], driven by improved asset utilisation and new contract awards. Gross profit increased by 4.4% to AED 178.4 million, supported by higher utilisation of infrastructure capacity, stable long-term contracts, and contributions from vessel chartering operations.

Operational performance remained strong in 2025, primarily driven by the oil storage and related services segment, which represented the Group's core business as of December 31, 2025 (97% of revenue). The Group also progressed its Phase 3 expansion project (learn more in Our Business Units), which is expected to significantly increase storage capacity and strengthen long-term revenue visibility.

The underlying performance remained strong, with Adjusted EBITDA[2] increasing by 13.1% to AED 234.5 million, reflecting the resilience of the Group's core operations. The Adjusted EBITDA margin reached a record 76.2%.

Despite this growth, profit for the year declined by 58.8% to AED 13.7 million, primarily due to non-recurring transaction-related costs and other financing-related impacts associated with the Group's strategic expansion.

The Group's financial position strengthened significantly following the acquisition. Total assets increased by 51.8% to AED 2.7 billion, primarily due to the increase in property, plant and equipment. Total equity increased by 442.5% to AED 1.3 billion.

The Group's leverage ratios improved during the year, supported by a significant increase in equity following the transaction. The total liabilities decreased by 7.7% to AED 1.4 billion, supported by the settlement of legacy liabilities and refinancing of debt instruments. The total borrowings increased by 26.5% to AED 714.4 million to support the expanded platform and long-term financing structure, with a shift toward longer-term structured financing, including sukuk (AED 571.6 million), issued to investors to fully settle the previously issued bonds by BPGIC FZE.

The Group continued to generate positive cash flows from operations. Net cash flows from operating activities decreased by 47.9% to AED 89.4 million, mainly due to working capital movements and higher operating costs. Net cash flows from investing activities shifted to a net inflow of AED 518.4 million versus a net outflow of AED 19.2 million in 2024, primarily driven by the acquisition transaction. Net cash flows used in financial activities demonstrated an outflow of AED 564.6 million, reflecting debt repayments, interest payments and AED 460 million distribution linked to the acquisition.

GULFNAV finished the year with cash and cash equivalents of AED 92.7 million, an increase by 87.7%, supporting the Group's robust liquidity position.

Capital expenditure increased significantly by 186.6% to AED 58.3 million, reflecting continued investment in infrastructure and expansion projects. In addition, the Group has committed capital expenditures of AED 52.5 million, primarily for the Phase 3 storage tank expansion. Capital investments during the year, combined with ongoing commitments, position the Group for sustained growth and improved earnings capacity over the medium- to long-term. GULFNAV remains focused on strengthening both its operational and financial performance, supported by disciplined execution of its growth strategy, continued infrastructure expansion, and commitment to delivering sustainable long-term value to shareholders.

**51.8%**
increase in total assets

1 On 27 November 2025, GULFNAV completed the acquisition of BPGIC FZE and BPGIC Phase III FZE. For accounting purposes, the transaction is treated as a reverse acquisition under IFRS, with BPGIC as the accounting acquirer and Gulf Nav as the accounting acquiree, due to changes in the control of the combined Group, changes in Board composition, and the relative size of the two businesses. All the financial data of the Group for the year ended December 31, 2025, has been prepared on the basis of the BPGIC continuing accounts at historical cost, with GULFNAV recognised at fair value on the date of acquisition. The comparative information is that of BPGIC for the year ended December 31, 2024, unless stated otherwise.

2 This metric represents the reported EBITDA adjusted for income/expenses related to sublease costs, legal claim settlements, change in fair value of a derivative financial instrument, transaction-related costs, write-off of other receivables and prepayments, expected credit losses related to trade receivables under dispute, and gain from litigation/legal claim settlement expense.