Consolidated Statement of Cash Flows

For the year ended December 31, 2025

(Figures in thousands of AED)

	Notes	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		13,735	33,310
Adjustments for:			
Depreciation of property, plant and equipment and amortization of intangible asset	7, 8	51,541	46,522
Interest on borrowings	9	59,841	61,082
Interest on litigation liability	9	14,809	19,414
Interest on lease liabilities	9	11,746	11,541
Finance income		(4,781)	(635)
Provision for employees' end of services benefits		268	482
Change in fair value of a derivative financial instrument	13	8,302	12,303
Unwinding of discount on provision for decommissioning	9	267	258
Provision for / (reversal of) impairment of trade and other receivables, net	11, 14	16,422	(11,616)
Write-off of other receivables and prepayments	8	Nil	1,000
Changes in working capital			
Changes in trade accounts receivable, other receivables and prepayments		(41,575)	(5,778)
Changes in inventories		(159)	205
Changes in trade and other payables		(37,340)	(2,328)
Changes in contract liabilities		(3,590)	6,129
Payment of employees' end of services benefits		(40)	(260)
Net cash flows from operating activities		**89,446**	**171,629**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash withdrawn from restricted bank accounts		55,905	1,092
Acquisition of subsidiaries, net of cash acquired	27	520,775	Nil
Purchase of property, plant and equipment		(58,265)	(20,331)
Net cash flows from/(used in) investing activities		**518,415**	**(19,239)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from borrowings	15	583,566	Nil
Repayment of borrowings	15	(556,078)	(52,877)
Interest paid on borrowings		(60,126)	(50,982)
Payment of lease liabilities	17	(39,296)	(20,400)
Payments on behalf of related parties		(32,621)	(7,090)
Distribution to shareholders	27	(460,000)	Nil
Net cash flows used in financing activities		**(564,555)**	**(131,349)**
Net change in cash and cash equivalents		43,306	21,041
Cash and cash equivalents at January 1		49,356	28,315
Cash and cash equivalents at December 31	**10**	**92,662**	**49,356**

The accompanying notes from 1 to 29 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements

December 31, 2025

(Figures in thousands of AED)

1 Legal Status and Business Activity

Gulf Navigation Holding PJSC (the "Company" or "Gulf Nav") is a public joint stock company since October 30, 2006 as per the Resolution of the Ministry of Economy No. 425 of 2006. The Company is listed on the Dubai Financial Market. The Company operates from its office on the 39th Floor, API Trio Tower, Al Barsha, Dubai, United Arab Emirates ("UAE").

These consolidated financial statements include the financial performance and position of the Company and its directly and indirectly held operating subsidiaries as listed below (collectively the "Group"). The Group holds numerous other subsidiaries that are non-operational (mainly investment vehicles), which have not been listed in the below table.

Subsidiary name	Principal activities	Country of incorporation	Ownership interest 2025	Ownership interest 2024
Brooge Petroleum and Gas Investment Group FZE	Oil storage and related services	UAE	100%	100%
Brooge Petroleum and Gas Investment Group Phase III FZE	Oil storage and related services	UAE	100%	100%
BPGIC Phase 3 Limited	Investment in properties	UAE	100%	100%
Vertex Investments Holdings Limited	Ownership of equity and non-equity assets	UAE	100%	Nil
Gulf Crude Carriers (L.L.C)	Ship Charter, etc.	UAE	100%	Nil
Gulf Navigation Polimar Maritime LLC	Sea Shipping Lines Agents	UAE	100%	Nil
Gulf Navigation Livestock Carriers 2 Ltd., Inc.	Ship Owning	Panama	100%	Nil

The Group has a branch in the Kingdom of Saudi Arabia under the name of Gulf Navigation Holding PJSC (KSA Br) engaged in ship charter services.

The Group is primarily engaged in sea transport of oil and petroleum products and similar commodities, ship charter, shipping lines of freight and passenger transportation, sea freight and passenger charters, shipping services, sea shipping lines agents, clearing and forwarding services, cargo loading and unloading services, cargo packaging, sea cargo services, ship management operations and provision of storage and other ancillary processes of crude and clean oil.

Reverse acquisition

On May 27, 2025, the Company announced that it had entered into a conditional sale and purchase agreement with Brooge Energy Limited ("BEL") for the acquisition of 100% ownership of BEL's subsidiaries: Brooge Petroleum and Gas Investment Group FZE ("BPGIC FZE"), Brooge Petroleum and Gas Investment Group Phase III FZE and its subsidiary BPGIC Phase 3 Limited (together "BPGIC Phase III") (collectively "BPGIC"). The Transaction was completed on November 25, 2025.

To facilitate the acquisition of BPGIC FZE, the Company incorporated Shipping Navigation Investments SPV Ltd ("Shipping Navigation") and Vertex Investments Holdings Limited ("Vertex") as subsidiary of Shipping Navigation. Vertex became the direct holding company of BPGIC FZE. The ownership of BPGIC Phase III was transferred to an existing investment vehicle within the Group.

The transaction resulted in the previous owners of BPGIC shareholders receiving AED 460 million cash, 358,841,476 new shares at the price of AED 1.25, and Mandatory Convertible Bonds ("MCBs") convertible at the price of AED 1.25 per share.

Based on the contractual agreement, Gulf Nav is the legal acquirer of BPGIC. However, for financial reporting purposes, BPGIC will be identified as the accounting acquirer, known as a reverse acquisition, when applying IFRS ***3 Business Combinations***. BPGIC is identified as the accounting acquirer, and Gulf Nav the accounting acquiree, because the shareholders of BPGIC obtained control of the combined Group, the change in Board composition, and the relative size of the two businesses.

Under IFRS 3, the purchase consideration is determined with reference to the value of shares that BPGIC would have needed to issue to acquire Gulf Nav at the acquisition date. The AED 460 million cash payment is a capital distribution to the previous BPGIC shareholders, and therefore, is accounted for separately from the business combination and as cash distribution to shareholders.

Whilst Gulf Nav is the legal entity and these consolidated financial statements are represented as Gulf Nav financial statements, they have been prepared on the basis that BPGIC is the accounting acquirer, representing the continuing financial statements.

Consequently, the consolidated financial statements of the Group for the year ended December 31, 2025 have been prepared on the following basis:

- BPGIC continuing accounts at historical cost and is the accounting acquirer; and
- Gulf Nav recognised at fair value on the date of acquisition and is the accounting acquiree.

The comparative information presented in the consolidated financial statements is that of BPGIC for the year ended December 31, 2024 (Note 26), unless otherwise stated.

Refer to Note 27 Business Combinations for further details on the reverse acquisition.

2 Basis of Preparation of Consolidated Financial Statements

Basis of Preparation

These consolidated financial statements are prepared in compliance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and on a going concern basis.

The consolidated financial statements have been prepared under the historical cost basis, except for a derivative financial instrument that is carried at fair value.

Since most of the transactions of the Group are denominated in US Dollars ("USD") or currencies pegged to the USD, the functional currency of the entities is USD. However, the consolidated financial statements of the Group are presented in Arab Emirates Dirhams ("AED"), which is the presentation currency of the Company. Amounts in USD have been translated into AED at the rate of USD 1 = AED 3.66 as there is a constant peg between USD and AED. All values are rounded to the nearest thousand (AED'000) except, where indicated otherwise.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at December 31, 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Company has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

A 'reverse acquisition' is a business combination in which the legal acquirer issues equity instruments and hence is identified as the accounting acquiree, while the legal acquiree whose equity interest were acquired is identified as the accounting acquirer in accordance with IFRS 3 Business Combinations. The accounting acquiree must meet the definition of a business for the transaction to be accounted for as a reverse acquisition, and all of the recognition and measurement principles in IFRS 3, including the requirement to recognise goodwill, would apply.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

3 Changes in Accounting Policies and Disclosures

New and Amended Standards and Interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after January 1, 2025. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IAS 21 - Lack of exchangeability;

The adoption of above amendments did not have any significant impact on the consolidated financial statements of the Group.

New Standards and Interpretations Not Yet Effective

The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments (January 1, 2026);
- Amendments to IFRS 1 - First-time Adoption of International Financial Reporting Standards, IFRS 7 - Financial instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 - Financial Instruments, IFRS 10 - Consolidated financial statements and IAS 7 - Statements of Cash Flows (January 1, 2026);
- IFRS 19 - Subsidiaries without Public Accountability: Disclosures (January 1, 2027);
- IFRS 18 - Presentation and Disclosure in Consolidated financial statements (January 1, 2027).

The Group does not expect these new standards, interpretations and amendments, except IFRS 18, to have a material impact on the consolidated financial statements. Management is currently reviewing IFRS 18 and assessing its potential impact on the Group's accounting policies, disclosures, and financial reporting.

4 Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Estimates

Useful Lives and Depreciation of Property, Plant and Equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear and the impact of expected residual value. Management reviews the useful lives annually and the future depreciation charge would be adjusted where management believes that the useful lives differ from previous estimates.

Provision for decommissioning

As part of the land lease agreement between Fujairah Municipality (Fujairah Oil Industry Zone) and BPGIC, the Group has a legal obligation to remove the plant at the end of its lease term. Accordingly, the Group has recognized a provision for decommissioning associated with the removal cost of the plant. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rate, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs. The carrying amount of the provision as at December 31, 2025 was AED 8,327 thousand (2024: AED 8,061 thousand). The Group estimates that the costs would be realised in 60 years' time and calculates the provision using the DCF method based on the following assumptions:

- Estimated range of cost per square foot – AED 167;
- Discount rate of 3% based on inflation-adjusted long-term risk-free rate; and
- Inflation rate of 0.8% used to extrapolate cash flows.

Impairment of property, plant and equipment and goodwill

The Group assesses assets or cash generating unit ("CGU") for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions that are subject to risk and uncertainty. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset / CGU is considered to be impaired and is written down to its recoverable amount. In assessing recoverable amount the estimated future cash flows are adjusted for the risks specific to the asset group and are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Fair value less costs to sell is identified as the price that would be received to sell the asset in an orderly transaction between market participants and does not reflect the effects of factors that may be specific to the entity and not applicable to entities in general.

For the purpose of impairment testing, assets are grouped at the lowest levels for which there are separately identifiable cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Phase I & II property, plant and equipment are technologically connected with a single processing plant hence the Group considers them as one CGU.

Estimation uncertainty relates to assumptions about the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. With regards to goodwill impairment assessment, the key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are disclosed and further explained in Note 27.

Leases - Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as credit rating).

Fair value of embedded derivative

The Group recognises an embedded derivative arising from the issuer call option contained within the bonds issued. The derivative is measured at fair value through profit or loss in accordance with IFRS 9 and IFRS 13.

The fair value of the embedded derivative is determined using a valuation model that considers prevailing market interest rates, the Group's credit spread, the contractual early redemption price, and the remaining term of the bonds. The valuation involves the use of estimates and assumptions, particularly in respect of discount rates and credit risk, which may not be directly observable in active markets.

Management exercises judgement in selecting appropriate valuation techniques and key assumptions. Changes in these assumptions could result in a material impact on the fair value of the derivative and the resulting gains or losses recognised in profit or loss.

Allowance for expected credit losses for trade receivables

The Group estimates expected credit losses (ECLs) for trade receivables based on historical credit loss experience adjusted for current and forwardlooking factors.

The provision is initially based on the Group's historical observed default rates. The Group will calibrate the provision to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted.

At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 22.

Judgments

Embedded Derivative – Issuer Call Option

The bonds issued by the Group include an issuer call option allowing early redemption at 103.4% of the nominal value within the first four years (Note 13). At the inception of the bonds, management exercised judgement in assessing whether this call option is closely related to the host debt instrument in accordance with IFRS 9 ***Financial Instruments***.
Based on the level of early redemption compensation and its potential impact on contractual cash flows, management concluded that the call option is not closely related and therefore required separation as an embedded derivative.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has a lease contract that includes extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group included the renewal period as part of the lease term for lease of land with an initial lease term of 30 years. The Group expects to exercise its option to renew the lease because there will be a significant negative effect on the business and operations if the lease is not renewed.

Property lease classification - Group as a lessor

The Group has entered into long-term vessel leasing arrangements. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the vessel and the present value of the minimum lease payments not amounting to substantially all of the fair value of the vessel, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

5 Material Accounting Policies

Revenue Recognition

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those services or goods. Revenue is net of discounts, credit notes and value added taxes.

Storage and related ancillary services

Monthly storage rates and prices for services provided by the Group are contractually agreed before the services are rendered and do not contain material variable components. When it is probable that the future economic benefits will flow to the Group, the recognition in the consolidated statement of comprehensive income is in proportion to the stage of the rendered performance as at the end of the reporting period. The Group has a right to a consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's services completed to date.

Tank storage rentals, including minimum guaranteed throughputs, are recognized on a straight-line basis over the contractual period during which the services are rendered. Revenues from excess throughputs, heating / cooling, homogenization, product movements and other services are recognized when these services are rendered. Customers simultaneously consume and benefit from the services at the moment that these are rendered, resulting in a situation where revenue is recognized over time. The Group is acting as a principle in all its contracts.

Storage fees are invoiced upfront in the month preceding the month to which the storage fees relate. Handling and other services are invoiced once the services have been rendered and based on the actual usage.

The Group recognizes reimbursable port charges as revenue, as it acts as a principal in the arrangement. The corresponding expense is recorded under cost of sales. The Group assesses that it controls the service before it is transferred to the customer and is responsible for fulfilling the obligation, supporting the gross presentation of revenue. Such revenue is recognized at a point in time when the service is rendered.

Vessel chartering and shipping services

The Group has concluded, based on its review of revenue arrangements with vessel chartering and shipping service customers, that it is the principal in its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude, and is also exposed to credit risks.

Revenues received from time charters are recognised on a straight-line basis over the duration of the charter, less off-hire charges.

Shipping services, marine products sales and distribution revenues consist of the invoiced value of goods supplied and services rendered, net of discounts and returns and are recognised at a point in time when goods are delivered and services have been performed.

Contract Liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related services to the customer).

Expenses

Expenses are recognised as incurred and reported in the statement of comprehensive income in the period to which they relate on an accrual basis.

Current and Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current / non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Property, Plant and Equipment

Property, plant and equipment, are stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes expenditure that is directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by the management and includes the cost of replacing part of the property, plant and equipment and borrowing cost and depreciation of right-of-use asset for long-term construction projects on leased land if the recognition criteria are met.

The cost of replacing or addition to an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

Capital work under progress is stated at cost and subsequently transferred to the appropriate property, plant and equipment category and depreciated in accordance with the Group's policies when it is available for use.

The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met. Refer to significant accounting judgements, estimates and assumptions (Note 4) and provisions (Note 5) for further information about the recognised decommissioning provision.

Depreciation is charged to write off the cost of assets using the straight-line method as follows:

Category	Years
Buildings	25
Tanks	50
Vessels (including dry dock costs)	3-40
Installations	20-25
Other Assets	2-10
Right of use asset - Land	60

The useful lives and depreciation method are reviewed periodically to ensure that the year and method of depreciation are consistent with the pattern of economic benefits expected to flow to the Group through the use of items of property, plant and equipment.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised as profit or loss in the statement of comprehensive income.

Impairment of Non-Financial Assets

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs include interest and other costs that the Group incurs in connection with the borrowing of funds.

Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract.

The Group determines the lease term as the non-cancellable period of a lease, together with both:

a) periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
b) periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

In assessing whether a lessee is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Group revises the lease term if there is a change in the non-cancellable period of a lease.

Company as a lessee

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The relative stand-alone price of lease and non-lease components is determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

For determination of the lease term, the Group reassesses whether it is reasonably certain to exercise an extension option, or not to exercise a termination option, upon the occurrence of either a significant event or a significant change in circumstances that:

a) is within the control of the Company; and
b) affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

At the commencement date, the Group recognises a right-of-use asset classified within property, plant and equipment and a lease liability classified separately on the statement of financial position.

Short-term leases and leases of low-value assets

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease of 12 months or less and leases of low-value assets when new. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Right-of-use assets

The right-of-use asset is initially recognised at cost comprising of:

a) the amount of the initial measurement of the lease liability;
b) any lease payments made at or before the commencement date, less any lease incentives received;
c) any initial direct costs incurred by the Company; and
d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. These costs are recognised as part of the cost of the right-of-use asset when the Group incurs an obligation for these costs. The obligation for these costs is incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

After initial recognition, the Group amortises the right-of-use asset over the term of the lease (refer the accounting policy for property, plant and equipment for details about the deprecation period). In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

Lease liability

The lease liability is initially recognised at the present value of the lease payments that are not paid at the commencement date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

After initial recognition, the lease liability is measured by (a) increasing the carrying amount to reflect interest on the lease liability; (b) reducing the carrying amount to reflect the lease payments made; and (c) remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Where, (a) there is a change in the lease term as a result of the reassessment of certainty to exercise an option, or not to exercise a termination option as discussed above; or (b) there is a change in the assessment of an option to purchase the underlying asset, assessed considering the events and circumstances in the context of a purchase option, the Group remeasures the lease liabilities to reflect changes to lease payments by discounting the revised lease payments using a revised discount rate. The Group determines the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or its incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

Where, (a) there is a change in the amounts expected to be payable under a residual value guarantee; or (b) there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including a change to reflect changes in market rental rates following a market rent review, the Group remeasures the lease liabilities by discounting the revised lease payments using an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In such case, the Group uses a revised discount rate that reflects changes in the interest rate.

The Group accounts for a lease modification as a separate lease if both:

a) the modification increases the scope of the lease by adding the right to use one or more underlying assets and
b) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

Financial Instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets of the Group include cash, cash equivalents, restricted bank balance, trade accounts receivable and other receivable.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets measured at amortised cost;
- Financial assets at fair value through OCI with recycling of cumulative gains and losses;
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition;
- Financial assets at fair value through profit or loss.

Financial assets measured at amortised cost

This category is the most relevant to the Company. Financial assets are carried at amortised cost if both of the following conditions are met:

- The asset is held within a business model with the objective to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised from the statement of financial position where:

- The rights to receive cash flows from the asset have expired;
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original current amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit loss (ECL) for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade accounts receivables, the Group has applied the simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group calculates the ECL based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the customer and the economic environment.

Write-off of financial assets

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss;
- Financial liabilities measured at amortised cost.

The Group has no financial liabilities at fair value through profit or loss.

Trade and other payables

Liabilities for trade and other payables are recognised at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company.

Borrowings

All borrowings are initially recognized at the fair values less directly attributable transaction costs. After initial recognition, borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the statement of comprehensive income when liabilities are derecognized.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of comprehensive income or loss.

Offsetting of Financial Instruments

Financial assets and financial liabilities are offset, and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative Financial Instruments

The Group has a derivative financial instrument with relation to a call option with relation to issuer bonds. Such derivative financial instrument is initially recognised at fair value on the date on which the underlying bond issuance contract is entered into and is subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of comprehensive income (within profit and loss) as the Group has not designated derivative financial instruments under hedging arrangements.

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, balances in bank accounts and short term highly liquid deposits with an initial maturity date of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Equity and Reserves

Share capital represents the nominal (par) value of shares that have been issued.

Share premium includes any premiums received on the issue of share capital or on gain from sale of treasury shares. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- Treasury shares;
- Statutory reserve – comprises annual transfers from the Group's profit;
- Accumulated losses include all current and prior period retained profits or losses;
- Other reserves – comprises reserve arising on issuance of shares at discount against settlement of liabilities and adjustment on acquisition of non-controlling interests in 2022 (see Note 19);
- Mandatory convertible bonds – comprise financial instruments issued by the Company to be converted into a fixed number of equity instruments at a specified future date or upon the occurrence of a predetermined event.
- Acquisition reserve – The acquisition reserve relates to the accounting for reverse acquisition in accordance with IFRS 3 ***Business Combinations*** and represents the residual equity impact of applying reverseacquisition accounting.

All transactions with the owners of the Company/Group are recorded separately within equity.

Treasury shares are own equity instruments that are acquired by the Company, which are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share premium.

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares in issue during the year (excluding ordinary shares purchased by the Company and held as treasury shares).

Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company does not have any categories of dilutive potential ordinary shares, hence the diluted earnings per share is the same as the basic earnings per share.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The Group records a provision for decommissioning costs of storage tank and other ancillary processes of crude and clean oil facility. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

Fair Values of Financial Instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

The fair value of financial instruments not traded on an active market is determined by using appropriate valuation techniques. Such techniques may include the use of recent commercial transactions in the market; reference to the current fair value of another instrument, which is practically the same; analysis of discounted cash flows or other valuation techniques.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Taxes

Value Added Tax:

Expenses and assets are recognized net of the amount of input tax, except:

- When the input tax is incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the input tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable;
- The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position, as applicable.

Input VAT is recognized when the goods or services are supplied to the Group and the tax on which is paid / due to be paid by the Group to the Supplier.

Output VAT is recognized in respect of taxable supply of goods / services rendered by the Group on which tax is charged and due to be paid to the UAE Federal Tax Authority.

Income taxes

Tax expense recognised in profit or loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available to be utilised, except in circumstances where IAS 12 does not permit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets are recognised to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit.

Deferred tax liabilities are generally recognised in full, although IAS 12 specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax on temporary differences relating to goodwill.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

6 Revenue

	2025	2024
RECOGNIZED OVER TIME		
Storage rental income	281,662	261,451
Ancillary services	9,343	10,744
Vessel chartering	8,431	Nil
RECOGNIZED AT A POINT IN TIME		
Reimbursable port charges (Note 7)	7,853	8,688
Shipping and technical services	249	Nil
	307,538	**280,883**

There is no cyclicality in the Group's operations.

The commercial storage contracts with customers have been assigned as security against a borrowing obtained during the year (Note 15).

Reimbursable port charges of AED 7,853 thousand (2024: AED 8,688 thousand) are paid by the Group to the port authority on behalf of the customers and recharged to the customers without any margin.

Contract Balances

	2025	2024
Trade receivables (refer Note 11 for more details)	29,025	11,811
Contract liabilities (see below)	11,866	15,456

At December 31, 2025 and 2024, the Group had contract liabilities in the form of short-term advances received from customers against the future provision of storage rental services by the Group. The decrease in contract liabilities in 2025 was due to the timing of advances received from customers.

Revenue recognized during the year from the amounts included in contract liabilities at the beginning of the year amounted to AED 15,456 thousand (2024: AED 9,327 thousand).

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at December 31 are, as follows:

	2025	2024
Within one year	237,651	125,783
More than one year	115,317	36,544
	352,968	162,327

7 Direct Costs

	2025	2024
Depreciation of property, plant and equipment and amortization of intangible asset (Note 12)	51,536	46,522
Sublease costs[1]	30,994	21,344
Salaries and other employee related costs	18,074	17,794
Reimbursable port charges (Note 6)	7,853	8,688
Maintenance charges	5,558	4,786
Spare parts and consumables used	4,284	4,648
Insurance charges	4,146	3,610
Ship running costs	3,504	Nil
Others	3,204	2,653
	129,153	110,045

[1] On March 7, 2024, pursuant to a novation agreement with a customer, the Group was granted exclusive rights to use and sublease the capacity originally allocated to that customer, with an agreed proportion of the net excess sublease profits payable to the customer. Sublease costs of AED 30,994 thousand mainly represent this profit-sharing arrangement recognized as cost during the year (2024: AED 21,344 thousand).

8 General, Selling and Administration Expenses

	2025	2024
Legal and professional fees	30,407	16,628
Sales and marketing	17,469	11,479
Salaries and other employee related expenses	10,424	10,683
Office expenses	1,008	831
Short-term leases	50	50
Depreciation of property, plant and equipment (Note 12)	5	Nil
Legal claim settlement expense[1]	Nil	7,500
Write-off of other receivables and prepayments	Nil	1,000
Others	861	171
	60,224	48,342

9 Finance Costs

	2025	2024
Interest on borrowings (Note 15)	59,841	61,082
Interest on litigation liability (Note 18)	14,809	19,414
Interest on lease liabilities (Note 17)	11,746	11,541
Bank fees	565	351
Unwinding of discount on provision for decommissioning	267	258
Exchange gain, net	25	36
	87,253	92,682

10 Cash and Bank Balances

	2025	2024
Cash in hand	270	98
Bank balances in current accounts	73,761	49,258
Bank balances in restricted accounts	654	56,559
Bank balances in fixed deposits	18,631	Nil
Cash and bank balances	**93,316**	**105,915**
Disclosed in the consolidated statement of financial position as follows:		
NON-CURRENT		
Restricted bank balances[2]	**Nil**	**31,221**
CURRENT		
Cash and cash equivalents	**92,662**	**49,356**
Restricted bank balances[2]	**654**	**25,338**

[1] Related to a claim made by a customer due to the Group's inability to make the allocated storage capacity available to the customer as was agreed.
[2] Relate to Debt Service Retention accounts with relation to a bank borrowing (2024: Debt Service Retention and payment guarantee accounts with relation to bonds issued by one of the Group's subsidiaries - Note 15).

11 Trade Accounts Receivables

	2025	2024
Trade accounts receivables, gross	103,678	67,052
Less: Expected credit losses (ECL)	(74,653)	(55,241)
Trade accounts receivables, net	**29,025**	**11,811**

Set out below is the movement in the allowance for expected credit losses of trade accounts receivables:

	2025	2024
As at 1 January	55,241	66,856
On acquisition of subsidiary	6,875	Nil
Charge for the year	12,537	555
Reversals	Nil	(12,170)
As at 31 December	**74,653**	**55,241**

For details of credit risk management process and credit risk exposures and analysis relating to the allowance for expected credit losses refer Note 22.

Certain overdue trade accounts receivables and balances under litigation (Note 22) bear interest but the majority is non-interest bearing.

12 Property, Plant and Equipment

	Buildings	Installations	Other Assets	Tanks	Vessels	Capital Work in Progress	Right-of-use Asset - Land	Total
COST:								
As at January 1, 2024	113,740	659,439	5,913	569,466	Nil	194,565	312,166	1,855,289
Additions	Nil	Nil	91	4,247	Nil	38,873	Nil	43,211
Transfers from capital work in progress	Nil	Nil	Nil	4,271	Nil	(4,271)	Nil	Nil
As at December 31, 2024	113,740	659,439	6,004	577,984	Nil	229,167	312,166	1,898,500
Additions	Nil	406	29	Nil	Nil	59,510	Nil	59,945
On acquisition of subsidiary (Note 27)	1,000	Nil	9,190	Nil	1,246,041	Nil	Nil	1,256,231
Transfer to intangible asset	Nil	Nil	Nil	Nil	Nil	(512)	Nil	(512)
As at December 31, 2025	114,740	659,845	15,223	577,984	1,246,041	288,165	312,166	3,214,164
ACCUMULATED DEPRECIATION:								
As at January 1, 2024	25,957	100,802	3,286	46,478	Nil	Nil	27,923	204,446
Charge for the year	4,550	27,836	863	11,460	Nil	Nil	5,215	49,924
As at December 31, 2024	30,507	128,638	4,149	57,938	Nil	Nil	33,138	254,370
Charge for the year	4,550	27,841	840	11,579	4,816	Nil	5,215	54,841
On acquisition of subsidiary (Note 27)	1,000	Nil	7,971	Nil	639,242	Nil	Nil	648,213
As at December 31, 2025	36,057	156,479	12,960	69,517	644,058	Nil	38,353	957,424
NET BOOK VALUE:								
As at December 31, 2025	**78,683**	**503,366**	**2,263**	**508,467**	**601,983**	**288,165**	**273,813**	**2,256,740**
As at December 31, 2024	**83,233**	**530,801**	**1,855**	**520,046**	**Nil**	**229,167**	**279,028**	**1,644,130**

Capital work in progress as of December 31, 2025 mainly relates to the storage facilities under development.

The Group's storage tanks and related assets are constructed on a land leased from the Municipality of Fujairah for a period of 30 years with a renewal option (Notes 4 & 17). The land lease agreement and the moveable assets of the Group are pledged as security against a borrowing obtained in 2025 (Note 15).

Borrowing costs capitalised to work in progress during the year amounted to AED 28,685 thousand (2024: AED 28,132 thousand) and relate to finance cost on lease liabilities. In addition, AED 3,402 thousand (2024: AED 3,402 thousand) of depreciation on right-of-use asset has also been capitalised. These capitalized costs pertain to the above-mentioned leased land.

The depreciation charge for the year is allocated to the consolidated statement of comprehensive income (within profit and loss) as follows:

	2025	2024
Direct costs (Note 7)	51,536	46,522
General, selling and administration expenses (Note 8)	5	Nil
	51,541	**46,522**

13 Derivative Financial Instrument

	2025	2024
Call option	Nil	8,302
	Nil	**8,302**

On September 24, 2020, the BPGIC FZE issued long-term fixed interest rate senior secured bonds of USD 200,000 thousand (equivalent to AED 732,000 thousand) to private investors with a face value of USD 1 at an issue price of USD 0.95 (Note 15). The issuer had the option to redeem the bonds in full or in part any time after September 24, 2023 (the "call option") at 103.4% of the nominal value. Management concluded that the call option represents an embedded derivative that has been separated from the host contract and accounted for it separately.

As at December 31, 2024, management determined the fair value of the call option to be AED 8,302 thousand and recognized it in the consolidated statement of financial position as a derivative instrument. In March 2025, the call option expired and the fair value of the derivative instrument of AED 8,302 thousand at December 31, 2024 was recognized as loss in 2025 in the consolidated statement of comprehensive income (within profit or loss).

14 Other Receivables and Prepayments

	2025	2024
Litigation and interest receivables[1]	7,770	6,583
Less: Expected credit losses	(3,885)	Nil
Litigation and interest receivables, net	3,885	6,583
Balance held with the liquidity provider (Notes 16 & 19)	20,000	Nil
Prepayments	7,630	707
VAT receivables	6,600	2,431
Other receivables	2,561	154
Advances to employees	79	31
	40,755	**9,906**

[1] Based on a court verdict received, one of the Group subsidiaries was awarded interest on overdue receivables and recovery of legal and other costs from a customer amounting to AED 5,948 thousand (Note 22). In accordance with the court verdict, interest income of AED 1,187 thousand was recognized in 2025 (2024: AED 635 thousand) as post-award interest. However, since May 2025 the customer has stopped settling its outstanding balance. As a result, the Group assessed the receivable as increase in credit risk and recognised expected credit loss (ECL) provision in the amount of AED 3,885 thousand in profit or loss. Subsequent to the reporting date, the Group received a court verdict in its favour in relation to the legal dispute with the customer and continues to actively pursue recovery of the awarded amounts.

15 Borrowings

	2025	2024
Sukuk	571,586	Nil
Term loan 2	137,684	Nil
Term loan 1	3,638	5,093
Bonds	Nil	546,910
Accrued interest	1,517	12,742
	714,425	**564,745**

Sukuk

In November 2025, one of the Group's subsidiaries, Vertex, issued USD 167 million (equivalent to AED 611 million) of sukuk to investors to fully settle the previously issued bonds by BPGIC FZE (see below).

The sukuk carries a profit rate comprising:

- 8.50% per annum payable quarterly starting December 31, 2025; and
- 2.50% per annum as deferred payment to be settled in cash at maturity or on early redemption, with quarterly compounding.

The issuance of sukuk incurred structuring and underwriting fees of 2.5% and total costs of USD 12,029 thousand (equivalent to AED 44,183 thousand), which has been reduced from the carrying amount of sukuk and is being amortized over the term of the sukuk as finance cost. The sukuk was issued at an original issue discount (OID) of 2% in the amount of USD 3,340 thousand (equivalent to AED 12,268 thousand).

The sukuk also includes coupon step ups as follows:

- 1.75% increase beginning Year 2; and
- 3.50% increase beginning Year 3.

The sukuk has a contractual maturity of three years from the utilisation date and features contractual amortisation of 12% per annum, with the first amortisation payment due in March 2026 after drawdown, with subsequent amortisation payments to be made on a quarterly basis thereafter and a 60% balloon payment at maturity.

The sukuks are secured by the following:

i. Fixed and floating charge over all present and future assets of Shipping Navigation and Vertex.
ii. Firstranking fixed charge over 100% of the shares of Vertex, together with related enforcement deliverables.
iii. Firstranking security over receivables, contracts and insurance proceeds of Vertex and guarantors.
iv. Firstpriority mortgage over BPGIC FZE's long-term land leasehold interest (including fixtures and plant).
v. Pledge over the shares of BPGIC FZE.
vi. Firstranking assignment of all subordinated shareholder and intragroup loans.

The Group is required to comply with a range of financial and non-financial covenants on quarterly basis, which include leverage, cash flow cover, liquidity and project-level financial tests, requirements to maintain reserve and controlled bank accounts, and mandatory cash sweep mechanisms in certain circumstances. The covenants also include customary restrictions on additional indebtedness, security creation, asset disposals, acquisitions and related-party transactions, together with detailed reporting, information, insurance and other operational undertakings. Based on management's review of the covenant requirements, most of the covenants are not yet effective at the reporting date.

Term loan 1

During 2022, the Group obtained a loan facility from a commercial bank in the UAE amounting to AED 8,730 thousand to partially finance the purchase of investment properties of the Group in Dubai. The facility carries interest at 3 months EIBOR + 4% margin (minimum 6.5% per annum) and is repayable in 24 quarterly instalments commencing 6 months after the date of disbursement. The loan is mainly secured by:

i. Corporate Guarantee.
ii. First Rank Degree Mortgage for a total mortgage of AED 13,000 thousand of properties.
iii. Assignment of rental income.

Term loan 2

On October 22, 2024, Gulf Nav signed a loan facility agreement with a financial institution to refinance its existing term loan. On January 10, 2025 an amount of AED 175,680 thousand was received under the new facility and utilized to fully settle an existing term loan. The facility is repayable in quarterly equal instalments over a period of 4 years and bears interest at the rate of 3 months SOFR plus spread.

Bonds

Nominal value	Coupon rate %	Effective interest rate %	Maturity date	2025	2024
USD 200,000,000	8.50%	10.57%	Refer note below	Nil	546,910

On September 24, 2020, BPGIC FZE issued long-term fixed interest rate senior secured bonds of USD 200 million (equivalent to AED 732 million) to private investors with a face value of USD 1 at an issue price of USD 0.95. The proceeds of the bonds of USD 186 million (equivalent to AED 681 million), net of USD 4 million (equivalent to AED 15 million) of transaction costs, were drawn down during November 2020. In accordance with the terms of the bonds, the proceeds were used to settle existing term loans and promissory notes and to fund the remaining phase II construction costs in the amount of USD 85 million (equivalent to AED 311 million) with the balance to be used for general corporate purposes.

The bonds were repayable in semi-annual payments of USD 7 million (equivalent to AED 26 million) starting September 2021 until March 2025, and one bullet repayment of USD 144 million (equivalent to AED 527 million) in September 2025. Interest accrued at a coupon rate of 8.5% and was payable semi-annually in March and September each year. The issuer had the option to redeem the bonds in full or in part any time after September 24, 2024 (the "call option"), which expired in March 2025. As per management's assessment, the call option represented an embedded derivative that was separated from the host contract and accounted for separately.

The bonds were secured by pledges over shares, key bank accounts and movable assets, along with security assignments of major contracts, insurance policies and intercompany loans, and supported by a corporate guarantee from Brooge Energy Limited.

In November 2025, Vertex issued USD 167 million (equivalent to AED 611 million) of Sukuk to investors to refinance the existing bonds, which enabled the full settlement of the outstanding bonds (refer above).

The bonds were mainly secured by:

i. Pledge over all the existing and future shares of BPGIC FZE;
ii. Pledge over certain bank balances;
iii. Pledge over moveable assets;
iv. Security assignment of commercial contracts and land lease agreement;
v. Corporate guarantee.

The bond agreement restricted from making any distributions other than in the form of an inter-company loan for phase III construction.

16 Trade and Other Payables

	2025	2024
Payable to liquidity provider (Note 19)[1]	192,614	Nil
Trade accounts payable	95,258	51,473
Accrued expenses and other payables	23,546	10,805
Capital accruals	1,093	20,626
	312,511	**82,904**

[1] In accordance with the signed agreement, the liquidity provider will provide up to AED 25 million of funding to the Company to facilitate the trading of the Company's shares. Any losses resulting from the breach of the said agreement by the liquidity provider or the failure of the liquidity provider to follow the instructions of the Company shall be borne solely by the liquidity provider. During the year, the Group deposited an amount of AED 20,000 thousand with the liquidity provider in a separate account, and accordingly, such balance has been classified under other receivables and prepayments (Note 14).

17 Lease Liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2025	2024
As at January 1	377,188	358,108
Accretion of interest (Note 9, 12)	40,431	39,673
Payments	(39,296)	(20,400)
Other	(195)	(193)
As at December 31	378,128	377,188
Current portion	33,924	39,321
Non-current portion	**344,204**	**337,867**

The Group has entered into a land lease agreement with the Municipality of Fujairah (Fujairah Oil Industry Zone) for a period of 30 years, extendable for another 30 years at the option of the Group.

18 Other liability

	2025	2024
Litigation liability	Nil	477,490
Accrued interest	Nil	19,414
	Nil	**496,904**

On December 27, 2023, BPGIC FZE was served with a UAE court order in connection with a case filed by Brooge International Advisory LLC ("BIA"). As a precautionary measure, the Court ordered the imposition of precautionary attachment over the movable and immovable assets of BPGIC FZE and appointed a Judicial Guardian over BPGIC FZE.

On March 5, 2024, the Federal Supreme Court (equivalent of the Court of Cassation) in the United Arab Emirates rejected the appeals filed by BPGIC FZE relating to the claim and demand for payment from BIA. As a result of the Court's decision dated March 5, 2024, BPGIC FZE was ordered to pay USD 130 million (equivalent to AED 477 million), plus four percent interest per annum from December 26, 2023 until the date of payment to BIA.

On October 20, 2025, the parties agreed to settle the litigation liability through the issuance of mandatory convertible bonds (MCBs) by the Company to the shareholders of BIA with a total value of AED 511,712 thousand, representing the carrying amount of the liability as of that date.

For the year ended December 31, 2025, the Group recognized interest of AED 14,809 thousand related to this litigation liability (2024: AED 19,414 thousand) (Note 9).

19 Equity and Earnings Per Share

Share Capital

	2025	2024
Authorized, issued and fully paid-up share capital 2,586,713,159 shares (2024: 837,695,625) of AED 1 each	**2,586,713**	**837,696**

The movement in share capital during the year was as follows:

	2025	2024
At January 1,	837,696	837,696
Conversion of MCBs issued to existing shareholders	454,545	Nil
Shares issued to BPGIC shareholders	358,841	Nil
Partial conversion of MCBs issued to the shareholders of BPGIC	935,631	Nil
At December 31,	**2,586,713**	**837,696**

Subsequent to the year end, additional MCBs were converted into 603,540,729 shares in the Company increasing the share capital by AED 603,540 thousand to AED 3,190,253.

Treasury Shares

The Company has appointed a licensed liquidity provider on the Dubai Financial Market that offers liquidity provision services, to place buy and sell orders of the Company's shares with the objective of reducing bid/ask spreads as well as reducing price and volume volatility. At December 31, 2025, the liquidity provider held 26,094,104 of the Company's shares on behalf of the Company, which are classified under equity as treasury shares at par value.

A cumulative loss of AED 99,438 thousand has been recognised as at December 31, 2025 as Share Discount under equity out of which a net loss of AED 67,159 thousand is from the net disposal of shares during the year post the date of reverse acquisition. In accordance with the signed agreement, the liquidity provider has funded the acquisition of the treasury shares (Note 16).

Statutory Reserve

In accordance with the Company's Articles of Association and Article 103 of UAE Federal Law No. (32) of 2021, a minimum of 10% of the profit for the year has to be transferred to the statutory reserve. Such transfers are required to be made until the balance of the statutory reserve equals one half of the Company's paid-up share capital. The reserve is not available for distribution except as provided for in the above-mentioned law.

Other reserves

Other reserves include a reserve of AED 170,788 thousand arising on issuance of 256,182 thousand shares of the Company in 2022 at a discount against settlement of AED 85,394 thousand of liabilities.

Other reserves also include AED 7,559 thousand equity adjustment on acquisition of non-controlling interests in 2022 representing the excess of purchase consideration over the net carrying value of non-controlling interests as at the date of acquisition.

Earnings Per Share

Basic EPS is calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is calculated by dividing the profit by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the Mandatory Convertible Bonds ("MCB").

The following table reflects the profit and number of shares used in the basic and diluted EPS calculations:

	2025	2024
Profit for the year (AED'000)	**13,735**	**33,310**
Weighted average number of ordinary shares for basic EPS[1]	**1,065,066,275**	**812,451,303**
Basic earnings per share (AED)[1]	**0.013**	**0.041**
Weighted average number of ordinary shares for diluted EPS[1]	**1,157,140,262**	**812,451,303**
Diluted earnings per share (AED)[1]	**0.012**	**0.041**

The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury shares (Note 16) during the year and the shares issued during the year (Note 19).

Share Premium/(Discount), net

The details of the share premium/(discount), net are as follows:

	2025	2024
Cumulative net loss on disposal of Treasury Shares (see above)	(99,438)	Nil
Share premium related to issuance of shares	89,711	Nil
Share premium related to conversion of Mandatory Convertible Bonds / Sukuks	179,421	Nil
Share premium related to settlement of liability	102,342	Nil
Costs directly attributable to issuance of equity instruments	(3,465)	Nil
	268,571	**Nil**

[1] During the year, Brooge International Advisory LLC (BIA) became a shareholder of the Company following the settlement of the previously outstanding liability through the issuance of MCBs (Note 18). The related transactions and balances for the current and prior years have been disclosed to provide a complete understanding of the transaction that resulted in the related-party relationship.

20 Transactions with Related Parties

Related parties represent major shareholders, associated companies, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties.

The transactions with related parties are as follows:

	2025	2024
SHAREHOLDER		
Interest on other liability[1] (Note 18)	**14,809**	**19,414**
KEY MANAGEMENT REMUNERATION		
Short-term benefits	2,533	3,266
End of service benefits	93	164
	2,626	**3,430**

Related party balances as at the year-end are as follows:

Related Party	Classification	2025	2024
SHAREHOLDER			
Brooge International Advisory LLC[1]	Other liability (Note 18)	Nil	496,904
KEY MANAGEMENT PERSONNEL			
End of service benefits	Employees' end of service benefits	284	191
Salary and leave accruals	Trade and other payables	210	1,033

21 Commitments and Contingencies

	2025	2024
Capital commitments within one year[2]	52,524	10,887
	52,524	**10,887**

As at December 31, 2025 and 2024, there were no other material contingencies or commitments.

Legal claim

The Group is involved in ongoing legal and commercial proceedings abroad with relation to one of its vessels following a salvage operation that commenced in July 2023. The vessel is currently under detention in connection with these proceedings. Claims have been submitted by salvors and other parties; however, these remain under review, subject to ongoing discussions and dispute, and are being addressed in parallel with the vessel's insurance coverage. Certain aspects of the matter are also being considered within the framework of arbitration proceedings arising from the salvage operation. Accordingly, at the date of the issuance of these consolidated financial statements, management believes that the outcome, timing and any potential financial impact cannot be determined with sufficient certainty.

[1] During the year, Brooge International Advisory LLC (BIA) became a shareholder of the Company following the settlement of the previously outstanding liability through the issuance of MCBs (Note 18). The related transactions and balances for the current and prior years have been disclosed to provide a complete understanding of the transaction that resulted in the related-party relationship.
[2] Represents capital commitments related to the construction of Project Phase III with relation to storage tanks.

22 Financial Risk Management and Policies

The following are the categories of financial assets and financial liabilities:

	2025	2024
FINANCIAL ASSETS AT AMORTIZED COST:		
Cash and bank balances	93,316	105,915
Trade and other receivables	29,025	11,811
DERIVATIVE FINANCIAL INSTRUMENT:		
Call option	Nil	8,302
Total financial assets	**122,341**	**126,028**
Current	**122,341**	**94,807**
Non-current	**Nil**	**31,221**
INTEREST-BEARING LOANS AND BORROWINGS:		
Lease liabilities	378,128	377,188
Borrowings	714,425	564,745
FINANCIAL LIABILITIES AT AMORTIZED COST:		
Trade and other payables	312,511	82,904
Total financial liabilities	**1,405,064**	**1,024,837**
Current	**539,080**	**683,332**
Non-current	**865,984**	**341,505**

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, currency risk and liquidity risk. Management reviews and agrees policies for managing each of these risks which are summarized below.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At December 31, 2025 and 2024, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates.

A reasonably possible change in interest rates of ± 1% is not expected to have any significant impact on the Group's profit for the year and equity.

Currency Risk

The Group does not have any significant exposure to currency risk as most of its assets and liabilities are denominated in USD or AED (UAE Dirham), which is pegged to the USD.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Group is exposed to credit risk on bank balances and receivables as reflected in the consolidated statement of financial position, with a maximum exposure equal to the carrying amount of these instruments.

Trade accounts receivable

Credit quality of the customer is assessed as part of contract negotiations. Outstanding trade and other receivables are regularly monitored. The Group typically receives advance payments for storage services; therefore, no credit terms or credit limits are applied to customers. In addition, the Group obtains post-dated cheques (PDCs) from customers. Credit risk is considered minimal and is monitored through regular review of customer balances and ageing analysis, where relevant.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade accounts receivable as these items do not have a significant financing component.

An impairment assessment is performed at each reporting date on a customer-by-customer basis to measure expected credit losses. The provision rates are determined individually for each customer, taking into account their specific payment history, ageing of receivables, and any known credit circumstances.

The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

On the above basis, the expected credit loss for trade receivables as at December 31, 2025 and December 31, 2024 was determined as follows:

	Gross carrying amount		Expected credit loss		Expected credit loss rate	
Current	10,052	2,337	Nil	Nil	0%	0%
More than 30 days past due	10,174	3	Nil	Nil	0%	0%
More than 60 days past due	12,234	Nil	(6,823)	Nil	56%	0%
More than 120 days past due	71,218	64,712	(67,830)	(55,241)	95%	85%
	103,678	**67,052**	**(74,653)**	**(55,241)**		

At December 31, 2025 and 2024, ECL of AED 55,241 thousand relates to amounts due from a single international customer. Management performed an assessment of any circumstances of which the Group is aware regarding this customer's inability to meet its financial obligations including ongoing negotiations with the customer and the expected recoverability and the failure of the debtor to engage in a repayment plan with the Group.

In 2024, the Group reversed an amount of AED 12,170 thousand from ECL related to amounts due from a UAE based customer against which BPGIC FZE had filed a court case and received a verdict in its favour from Dubai International Arbitration Centre (DIAC) court in July 2024. Up till May 2025, the Group collected AED 5,500 thousand from this balance whereby the customer ceased making payments from May 2025 onwards. As a result, the remaining uncollected outstanding balance of AED 6,671 thousand was considered at default and was partially provided for as at December 31, 2025 in accordance with the Group's ECL assessment. In performing the assessment for ECL, management has taken into consideration the court verdict received subsequent to the reporting period in its favour.

Bank balances

The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities and obligations as and when they fall due without having to face any losses which may adversely affect the Group's financial position and reputation. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business.

The table below summarizes the maturity profile of the Group's financial liabilities at December 31 based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	1-5 years	> 5 years	Total
AS AT DECEMBER 31, 2025						
Borrowings (including accrued interest)	Nil	9,362	77,879	197,495	648,669	933,405
Lease liabilities	3,167	21,841	36,726	145,485	2,971,501	3,178,720
Trade and other payables	Nil	312,511	Nil	Nil	Nil	312,511
	3,167	**343,714**	**114,605**	**342,980**	**3,620,170**	**4,424,636**
AS AT DECEMBER 31, 2024						
Borrowings (including accrued interest)	559,652	491	1,419	4,138	Nil	565,700
Other liability	477,490	Nil	Nil	Nil	Nil	477,490
Lease liabilities	Nil	9,569	24,162	142,633	3,008,961	3,185,325
Trade and other payables	Nil	82,904	Nil	Nil	Nil	82,904
	1,037,142	**92,964**	**25,581**	**146,771**	**3,008,961**	**4,311,419**

Changes In Liabilities Arising from Financing Activities

Below is the movement of liabilities arising from financing activities of the Group for the years ended December 31:

	As at January 1	Cash inflow	Cash outflow	Interest paid	Others[1]	As at December 31
2025						
Borrowings (including accrued interest)	564,745	583,566	(556,078)	(60,126)	182,318	714,425
Lease liabilities	377,188	Nil	(39,296)	Nil	40,236	378,128
2024						
Borrowings (including accrued interest)	607,522	Nil	(52,877)	(50,982)	61,082	564,745
Lease liabilities	337,884	Nil	(9,381)	Nil	48,685	377,188

Capital Management

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders' value. No changes were made in the objectives, policies or processes for managing capital during the years ended December 31, 2025 and 2024.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust future distribution policy to the shareholder or issue new shares.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, the lease liabilities, borrowings, and accrued interest, less restricted bank balances, cash and cash equivalents. Equity includes share capital, share premium/ (discount) and reserves.

[1] Mainly represents interest accrued, amortizations and costs associated with the organization of borrowings. In 2025, it also includes borrowings related to the acquisition of subsidiary (Note 27).

	2025	2024
Borrowings	714,425	564,745
Lease liabilities	378,128	377,188
Less: restricted bank balances, cash and cash equivalents	(93,316)	(105,915)
Net debt	999,237	836,018
Total equity	1,277,478	235,483
Total equity and net debt	**2,276,715**	**1,071,501**
Gearing ratio	44%	78%

23 Alternative Performance Measures

Management considers the use of non-IFRS Alternative Performance Measures (APMs) to be key in understanding the Group's financial performance as well as assisting in forecasting the performance of future periods.

The presentation of APMs has limitations as analytical tools and should not be considered in isolation or as a substitute for related financial measures prepared in accordance with IFRS Accounting Standards.

In presenting the APMs management adjusts for certain items that vary between periods and for which the adjustment facilitates comparability between periods.

A reconciliation of the APMs utilised to the most directly reconcilable line items in the statement of profit or loss is provided below and may differ from similarly titled measures used by other entities.

Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA)

This APM represents the reported profit before adjusted for income/expense related to:

- depreciation of property, plant and equipment and right-of-use-assets;
- finance costs; and
- finance income.

Adjusted Earnings Before Interest, Tax, Depreciation and Amortization (Adjusted EBITDA)

This APM 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.

The APMs and their reconciliations to the measures reported in the statement of comprehensive income are as follows:

		2025	2024
Profit for the year		13,735	33,310
ADJUSTMENTS FOR:			
Depreciation of property, plant and equipment	7, 8	51,541	46,522
Finance costs	9	87,253	92,682
Finance income		(4,781)	(635)
EBITDA		147,748	171,879
ADJUSTMENTS FOR:			
Sublease costs	7	30,994	21,344
Change in fair value of a derivative financial instrument	13	8,302	12,303
Transaction related costs		31,013	10,770
Write-off of other receivables and prepayments	8	Nil	1,000
Expected credit losses related to trade receivables under dispute	8	16,422	(11,616)
Legal claim settlement expense	8	Nil	7,500
Gain from litigation	14	Nil	(5,948)
Adjusted EBITDA		**234,479**	**207,232**

24 Fair Value of Financial Instruments

Management considers that the fair value of all financial assets and financial liabilities in the consolidated financial statements approximate their carrying amounts at the reporting date due to their short-term maturities and/or because they bear interest at market rates.

Borrowings were allocated to Level 2 in the fair value hierarchy. The fair value has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis with no material difference identified between the carrying amounts of borrowings and their fair values.

All other assets and liabilities of the Group are allocated to Level 3 in the fair value hierarchy.

There were no transfers between levels.

25 Taxation

The Group's UAE components are subject to the UAE Federal corporate tax (CT) regime as implemented by the UAE Ministry of Finance through release of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses ("Corporate Tax Law" or the "Law") to enact a Corporate Tax ("CT") regime in the UAE. The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and on qualifying income of free zone entities.

The entities under BPGIC qualify as Qualifying Free Zone Persons (QFZP) under Article 18 of the UAE Corporate Tax Law whereby management and has assessed that they meet all the conditions to benefit from 0% Corporate Tax rate on their qualifying income. These include maintaining adequate substance in the Free Zone, deriving qualifying income, maintaining audited consolidated financial statements, and complying with transfer pricing and de minimis requirements.

The Company and its other UAE subsidiaries are taxable at the rate of 9% applicable to taxable income exceeding AED 375,000. However, these entities have reported taxable losses, and accordingly, no income tax expense has been recognized from the date of acquisition to December 31, 2025.

Deferred tax asset relates to the taxable losses of the Company and its taxable UAE subsidiaries, which are available to be offset against future taxable profits for an indefinite period as per the CT.

26 Comparative Information

The consolidated financial statements have been prepared applying reverse acquisition accounting (Note 1). Accordingly, the comparative information presented relates solely to the three entities that were legally acquired: Brooge Petroleum and Gas Investment Group FZE, Brooge Petroleum and Gas Investment Group Phase III FZE and its subsidiary BPGIC Phase 3 Limited, except for share capital under equity, which relates to the Company being the legal acquirer.

Prior to the acquisition, the BPGIC entities did not form a group and were subsidiaries part of a different group structure. Accordingly, no consolidated financial statements were previously prepared or issued for BPGIC.

The acquisition transaction with Gulf Nav involved only the three entities and did not involve the acquisition of a holding company together with its subsidiaries. Consequently, the comparative information represents the combined assets, liabilities, income and expenses of BPGIC prepared for the purpose of these consolidated financial statements that have been audited on a standalone basis, but not on a consolidated basis.

27 Business Combination

On November 25, 2025, Gulf Navigation Holding PJSC completed the acquisition of Brooge Petroleum and Gas Investment Group FZE, Brooge Petroleum and Gas Investment Group Phase III FZE and its subsidiary BPGIC Phase 3 Limited (collectively "BPGIC").

The transaction has been accounted for as a reverse acquisition in accordance with IFRS 3 Business Combinations. Although Gulf Navigation Holding PJSC is the legal acquirer, BPGIC has been identified as the accounting acquirer, as the former shareholders of BPGIC obtained control of the combined Group.

As a result, the consolidated financial statements represent a continuation of the financial statements of BPGIC, with Gulf Navigation Holding PJSC recognised at fair value at the acquisition date.

Consideration transferred

For the purposes of reverse acquisition accounting, the consideration has been determined by reference to the fair value of the equity instruments that BPGIC would have been required to issue to obtain control of Gulf Navigation Holding PJSC at the acquisition date. Management has taken into consideration the quoted share price of Gulf Nav in determining the consideration transferred but concluded that it is not the most reliable measure as the market price is influenced by non-economic factors and does not reflect the economic substance of the transaction.

The deemed consideration has been measured at AED 971,552 thousand on provisional basis using a valuation methodology based on a discounted cash flow (DCF) model prepared by the management to determine the fair value of BPGIC entities at the date of acquisition. Management is in the process of engaging an independent expert to perform the valuation of BPGIC entities at the acquisition date. Any significant differences identified within the measurement period will be retrospectively adjusted against the consideration transferred in accordance with IFRS 3.

The cash payment of AED 460 million made to the former shareholders of BPGIC represents a capital distribution and has therefore been accounted for separately from the business combination as distribution to shareholders under equity.

The acquisition has been accounted for using the acquisition method under IFRS 3 with a deemed acquisition date of November 30, 2025, assessed as the practicable effective date of acquisition, adjusted for any material transactions between the acquisition date and deemed acquisition date.

Fair value measurement

The Group has measured the fair values of the identifiable assets acquired and liabilities assumed of Gulf Navigation Holding PJSC on provisional basis, as permitted under IFRS 3.

Management is in the process of engaging an independent expert to perform a purchase price allocation exercise and the determination of the fair values of identifiable assets acquired and liabilities assumed under IFRS 3.

If new information obtained within the measurement period identifies adjustments to the provisional fair values of assets acquired or liabilities assumed that existed at the acquisition date, the accounting for the acquisition will be revised retrospectively in accordance with IFRS 3.

The provisional fair values of the identifiable assets and liabilities as at the deemed date of acquisition and the resulting provisional goodwill are as follows:

	November 30, 2025
ASSETS	
Cash and cash equivalents	60,775
Restricted bank balances	460,000
Trade accounts receivable, net	10,771
Inventories	10,450
Other receivables and prepayments	11,969
Property, plant and equipment	608,018
Deferred tax asset	1,970
Total assets	1,163,953
LIABILITIES	
Borrowings	137,619
Employees' end of service benefits	1,136
Trade and other payables	324,243
Total liabilities	**462,998**
Total identifiable net assets	**700,955**
Consideration transferred (provisional)	971,552
Provisional goodwill	**270,597**

From the date of acquisition, the acquiree has contributed AED 8,680 thousand of revenue and AED 803 thousand of profit. If the acquisition had taken place at the beginning of the year, the revenue contribution would have been AED 108,527 thousand and the loss contribution for the year would have been AED 2,267 thousand.

Transaction costs of AED 31,013 thousand have been expensed in 2025 (2024: AED 10,770 thousand) and are included in general, selling and administration expenses in the consolidated statement of comprehensive income and are part of operating cash flows in the consolidated statement of cash flows.

Goodwill impairment assessment

The provisional goodwill of AED 270,597 thousand is allocated to the vessel chartering reporting segment.

Management performed an impairment test on goodwill as at December 31, 2025. The recoverable amount of the CGU has been determined at December 31, 2025 based on a value in use calculation using cash flow projections.

The cash flows are derived from the most recent pre-tax cash flow projections for the next five years based on estimated charter rates using currently available market information and historical trends for vessels which are not on long term time charter. Cash flows beyond the 5-year period are extrapolated using a growth rate, which management believes approximates the long-term average growth rate for the industry in which the cash-generating units operate.

The discount rate applied to the cash flow projections is 8.5%. As a result of the analysis, no impairment to goodwill identified.

28 Segment Reporting

The Group determines its operating segments based on the nature of their operations. The performance of the operating segments is assessed by management on a regular basis.

At the reporting dates, the Group has two reportable segments: oil storage and related services and vessel chartering, shipping and technical services.

The remaining operating segment (investment properties) have been aggregated and presented as other operating segment due to its insignificance.

Substantially all of the Group's operations and assets are located in the United Arab Emirates.

The following table represents information about revenues and net profit, assets and liabilities of operating segments of the Group for the years ended December 31, 2025, and 2024:

	For the year ended December 31, 2025					For the year ended December 31, 2024			
	Oil storage and related services	Vessel chartering, shipping and technical services	Other	Adjustments and eliminations	Consolidated	Oil storage and related services	Other	Adjustments and eliminations	Consolidated
REVENUE									
External customers	298,858	8,680	Nil	Nil	307,538	280,883	Nil	Nil	280,883
Inter-segment	Nil	Nil	3,000	(3,000)	Nil	Nil	3,000	(3,000)	Nil
Total revenue	298,858	8,680	3,000	(3,000)	307,538	280,883	3,000	(3,000)	280,883
Direct costs	(119,567)	(9,178)	(408)	Nil	(129,153)	(109,637)	(408)	Nil	(110,045)
Gross profit	179,291	(498)	2,592	(3,000)	178,385	171,246	2,592	(3,000)	170,838
Other income	1,463	1,422	(115)	Nil	2,770	3,433	115	Nil	3,548
General, selling and administration expenses	(59,552)	(2,593)	(257)	2,178	(60,224)	(50,198)	(322)	2,178	(48,342)
Impairment losses, net	(16,422)	Nil	Nil	Nil	(16,422)	11,616	Nil	Nil	11,616
Finance income	1,450	3,331	Nil	Nil	4,781	635	Nil	Nil	635
Finance costs	(86,727)	(859)	(415)	748	(87,253)	(93,008)	(617)	943	(92,682)
Change in fair value of a derivative financial instrument	(8,302)	Nil	Nil	Nil	(8,302)	(12,303)	Nil	Nil	(12,303)
Profit before tax	11,201	803	1,805	(74)	13,735	31,421	1,768	121	33,310
Income tax expense	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Profit for the year	**11,201**	**803**	**1,805**	**(74)**	**13,735**	**31,421**	**1,768**	**121**	**33,310**
Depreciation and amortisation	48,492	4,819	408	(2,178)	51,541	48,292	408	(2,178)	46,522
Segment assets	**1,755,464**	**4,189,284**	**13,792**	**(3,253,807)**	**2,704,733**	**1,779,010**	**12,928**	**(10,563)**	**1,781,375**
Segment liabilities	**1,035,117**	**394,312**	**3,699**	**(5,873)**	**1,427,255**	**1,548,737**	**5,292**	**(8,137)**	**1,545,892**
Capital expenditure	58,265	Nil	Nil	Nil	58,265	20,331	Nil	Nil	20,331

Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column.

29 Subsequent Events

Subsequent to the reporting date, geopolitical tensions in the Middle East have continued to evolve, including ongoing regional conflicts and heightened political uncertainty.

These developments have increased volatility in global and regional financial markets and may, over time, affect economic conditions in the region. As at the date of approval of these consolidated financial statements, the Group continues to monitor developments in the region and will assess the potential impact, if any.