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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

Plaintiff,

v.

BROOGE ENERGY LIMITED F/K/A
BROOGE HOLDINGS LIMITED
F/K/A TWELVE SEAS INVESTMENT
COMPANY, NICOLAAS L.
PAARDENKOOPEER, SALEH
YAMMOUT, SYED MASOOD ALI,
BURGESE VIRAF PAREKH, LINA
SAHEB, DIMITRI ELKIN, NEIL
RICHARDSON, STEPHEN N.
CANNON, and PAUL DITCHBURN,

Defendants.

No.

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

CLASS ACTION

JURY TRIAL DEMANDED

1 Plaintiff _____ (“Plaintiff”), individually and on behalf of all other
2 persons similarly situated, by Plaintiff’s undersigned attorneys, for Plaintiff’s
3 complaint against Defendants (defined below), alleges the following based upon
4 personal knowledge as to Plaintiff and Plaintiff’s own acts, and information and
5 belief as to all other matters, based upon, among other things, the investigation
6 conducted by and through his attorneys, which included, among other things, a
7 review of the Defendants’ public documents, public filings, wire and press releases
8 published by and regarding Brooge Energy Limited (“Brooge” or the “Company”),
9 and information readily obtainable on the Internet. Plaintiff believes that
10 substantial evidentiary support will exist for the allegations set forth herein after a
11 reasonable opportunity for discovery.

12 **NATURE OF THE ACTION**

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14 1. This is a class action on behalf of persons or entities who purchased
15 or otherwise acquired publicly traded Brooge securities between November 25,
16 2019 and December 21, 2023 inclusive (the “Class Period”). Plaintiff seeks to
17 recover compensable damages caused by Defendants’ violations of the federal
18 securities laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

19 **JURISDICTION AND VENUE**

20 2. The claims asserted herein arise under and pursuant to Sections 10(b),
21 and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b), 78n(a) and 78t(a)) and Rule
22 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

23 3. This Court has jurisdiction over the subject matter of this action
24 pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C.
25 §78aa).

26 4. Venue is proper in this judicial district pursuant to 28 U.S.C. §
27 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged
28

1 misstatements entered and the subsequent damages took place in this judicial
2 district.

3 5. In connection with the acts, conduct and other wrongs alleged in this
4 complaint, Defendants (defined below), directly or indirectly, used the means and
5 instrumentalities of interstate commerce, including but not limited to, the United
6 States mails, interstate telephone communications and the facilities of the national
7 securities exchange.

8 PARTIES

9 6. Plaintiff, as set forth in the accompanying certification, incorporated
10 by reference herein, purchased Brooge securities during the Class Period and was
11 economically damaged thereby.

12 7. Brooge is incorporated in the Cayman Islands, and its principal
13 executive offices are located at Opus Tower A, 1002, Business Bay, Dubai, United
14 Arab Emirates. Brooge operates through its subsidiary, Brooge Petroleum and Gas
15 Investment Company FZE (“BPGIC Subsidiary”), which was formed under the
16 laws of the Fujairah Free Zone, United Arab Emirates, and conducts its business
17 out of an oil storage facility in Fujairah, United Arab Emirates. After the SPAC
18 Merger (defined below), Brooge went by the name “Brooge Holdings Limited”,
19 until April 2020.

20 8. On December 20, 2019, Brooge went public through a SPAC merger
21 (the “SPAC Merger” or the “Transaction”) which entailed the following set of
22 mergers between Twelve Seas Investment Company, which then changed its name
23 to BPGIC International (“Twelve Seas”), Brooge Holdings Limited (the Company
24 changed its name to “Brooge Energy Limited” in April 2020), BPGIC Subsidiary,
25 and a merger sub created for the purpose of facilitating the SPAC Merger:

26 The board of directors of Twelve Seas Investment Company, a Cayman
27 Islands exempted company (“Twelve Seas”) has unanimously approved the
28 Business Combination Agreement, dated as of April 15, 2019 (the “Business

1 Combination Agreement”), by and among Twelve Seas, Brooge Holdings
2 Limited, a Cayman Islands exempted company (“Pubco”), Brooge Merger
3 Sub Limited, a Cayman Islands exempted company and a wholly owned
4 subsidiary of Pubco (“Merger Sub”), Brooge Petroleum And Gas Investment
5 Company FZE, a company formed under the laws of the Fujairah Free Zone,
6 UAE (“BPGIC”) and the shareholder of BPGIC who has become a party
7 thereto (the “Seller”), ***which, among other things, provides for (i) the***
8 ***Merger of Merger Sub with Twelve Seas***, with Twelve Seas surviving the
9 Merger and the security holders of Twelve Seas becoming security holders
10 of Pubco, (ii) upon the effectiveness of such Merger, the exchange of 100%
11 of the outstanding ordinary shares of BPGIC by the Seller for Ordinary
12 Shares of Pubco (collectively, the “Business Combination”) and (iii) the
13 adoption of Pubco’s amended and restated memorandum and articles of
14 association. As a result of and upon consummation of the Business
15 Combination, ***each of Twelve Seas and BPGIC will become a wholly owned***
16 ***subsidiary of Pubco, as described in this proxy statement/prospectus and***
17 ***Pubco will become a new public company owned by the prior shareholders***
18 ***of Twelve Seas and the prior shareholder of BPGIC.***

14 Pursuant to the Business Combination Agreement, upon the consummation
15 of the Business Combination (i) each outstanding ordinary share of Twelve
16 Seas will be converted into one Ordinary Share of Pubco, (ii) each
17 outstanding Warrant of Twelve Seas will be converted into one warrant of
18 Pubco that entitles the holder thereof to purchase one Ordinary Share of
19 Pubco in lieu of one ordinary share of Twelve Seas and otherwise upon
20 substantially the same terms and conditions, and (iii) each outstanding Right
21 of Twelve Seas will be exchanged for one-tenth of an Ordinary Share of
22 Pubco.

21 (Emphasis added).

22 9. The above-detailed SPAC Merger was executed on or about
23 December 23, 2019.

24 10. Brooge common shares trade on the NASDAQ exchange under the
25 ticker symbol "BROG".

26 11. Defendant Nicolaas L. Paardenkooper (“Paardenkooper”) served as
27 Brooge’s Chief Executive Officer (“CEO”) and Chairman of the Board of
28 Directors, from once the SPAC Merger was consummated until December 8, 2022.

1 Prior to the SPAC Merger, he was the CEO of BPGIC Subsidiary and Legacy
2 Brooge.

3 12. Defendant Lina Saheb served as the Company’s interim CEO from
4 December 8, 2022 until August 8, 2023.

5 13. Defendant Paul Ditchburn (“Ditchburn”) has served as the
6 Company’s Chief Financial Officer (“CFO”) since December 2022.

7 14. Additionally, after Defendant Saheb resigned from the Company on
8 August 8, 2023, an “Office of the Chief Executive Officer” was formed to
9 temporarily provide for Company leadership while the Company searches for a
10 new CEO. Defendant Ditchburn serves in this group role along with Defendant
11 Yammout.

12 15. Defendant Saleh Yammout (“Yammout”) was the CFO of BPGIC
13 Subsidiary at the time of the SPAC Merger and held the role until April 27, 2020.
14 He joined Brooge in October 2018. He currently serves as a non-executive Director
15 and in the Office of the Chief Executive Office.

16 16. Defendant Syed Masood Ali (also referred to as “Syed Masood” in
17 certain of the Company’s filings) (“Syed”) served as Brooge’s CFO from April 27,
18 2020 until April 28, 2022.

19 17. Defendant Burgese Viraf Parekh (“Parekh”) has served as the
20 Company’s CFO since April 28, 2022. Parekh previously worked from 2018 to
21 2022 as Brooge’s finance manager.

22 18. Defendant Neil Richardson (“Richardson”) was Twelve Seas’
23 Chairman at the time of the SPAC Merger.

24 19. Defendant Dimitri Elkin (“Elkin”) was Twelve Seas’ CEO at the time
25 of the SPAC Merger.

26 20. Defendant Stephen N. Cannon (“Cannon”) was Twelve Seas’ CFO at
27 the time of the SPAC Merger.

28

Materially False and Misleading Statements Issued During the Class Period

26. On November 25, 2019, Twelve Seas filed with the SEC its definitive proxy on SEC Form Schedule 14A (the “Proxy”) to solicit votes for its December 19, 2019 Special Meeting to approve the planned merger with the then-private Brooge Holdings Limited (“Legacy Brooge”).

27. The Proxy contained the following table purporting to show Legacy Brooge’s 2018 Revenues:

STATEMENT OF COMPREHENSIVE INCOME

	Year ended December 31		6-month period ended June 30	
	2017 (Restated)	2018	2018	2019
	(USD)	(USD)	(USD)	(USD)
Revenue	89,593	35,839,268	13,796,112	22,042,687
Direct costs	(2,295,809)	(9,607,360)	(4,765,900)	(4,955,436)
Gross (loss) profit	(2,206,216)	26,231,908	9,030,212	17,087,251
General and administrative expenses	(574,266)	(2,029,260)	(1,048,846)	(1,236,507)
Finance costs	(966,926)	(6,951,923)	(3,318,895)	(3,412,843)
Change in fair value of derivative financial instruments	—	(1,190,073)	—	(484,603)
(Loss) profit and total comprehensive (loss) income for the year/period	(3,747,408)	16,060,652	4,662,471	11,953,298

28. This statement was materially false and misleading at the time it was made because, as Defendants knew, Legacy Brooge’s revenue for 2018 was materially lower than \$35,289,268.

29. The Proxy contained the following risk disclosure:

Following the consummation of the Business Combination, Pubco’s only significant asset will be its ownership of BPGIC and affiliates and such ownership may not be sufficient to pay dividends or make distributions or obtain loans to enable Pubco to pay any dividends on its Ordinary Shares or satisfy other financial obligations.

1 Following the consummation of the Business Combination, Pubco will be a
2 holding company and will not directly own any operating assets other than
3 its ownership of interests in BPGIC. Pubco will depend on BPGIC for
4 distributions, loans and other payments to generate the funds necessary to
5 meet its financial obligations, including its expenses as a publicly traded
6 company and to pay any dividends. The earnings from, or other available
7 assets of, BPGIC may not be sufficient to make distributions or pay
8 dividends, pay expenses or satisfy Pubco's other financial obligations.

9 30. This statement was materially false and misleading because it
10 understated the risks the post-SPAC entity faced considering that Legacy Brooge
11 (through BPGIC Subsidiary) was engaging in an accounting fraud designed to
12 inflate the Company's revenues.

13 31. The Proxy contained the following risk disclosure:

14 ***Fluctuations in operating results, quarter to quarter earnings and other
15 factors, including incidents involving BPGIC's customers and negative
16 media coverage, may result in significant decreases in the price of Pubco
17 securities post-Business Combination.***

18 The stock markets experience volatility that is often unrelated to operating
19 performance. These broad market fluctuations may adversely affect the
20 trading price of Pubco securities post-Business Combination and, as a result,
21 there may be significant volatility in the market price of Pubco securities
22 post-Business Combination. ***If BPGIC is unable to operate profitably as
23 investors expect, the market price of Pubco securities post-Business
24 Combination will likely decline when it becomes apparent that the market
25 expectations may not be realized.*** In addition to operating results, many
26 economic and seasonal factors outside of Pubco's or BPGIC's control could
27 have an adverse effect on the price of Pubco securities post-Business
28 Combination and increase fluctuations in its quarterly earnings. These
factors include certain of the risks discussed herein, operating results of
other companies in the same industry, changes in financial estimates or
recommendations of securities analysts post-Business Combination,
speculation in the press or investment community, negative media coverage
or risk of proceedings or government investigation, the possible effects of
war, terrorist and other hostilities, adverse weather conditions, changes in
general conditions in the economy or the financial markets or other
developments affecting the oil and gas storage industry.

1 (Emphasis added).

2 32. This statement was materially false and misleading because it
3 understated the risk of Brooge’s risk of being unable to operate profitably, given
4 that Legacy Brooge was engaging in accounting fraud at the time the Proxy was
5 filed with the SEC.

6 33. The “BPGIC Related Party Transactions and Policies” section of the
7 Proxy stated the following about Al Brooge International Advisory LLC (“BIA”):
8

9 The Phase I & II Customer, Al Brooge International Advisory LLC is
10 partially owned by Mrs. Hind Muktar. Mrs. Hind Muktar will also be a
11 limited partner of H Capital International LP and the sole shareholder of
12 Gyan Investments Limited, the general partner of H Capital International
13 LP. The Phase I Customer Agreement provides for Al Brooge International
14 Advisory LLC to lease all 14 Phase I storage tanks for a fixed fee per cubic
15 meter per month payable in advance on a monthly basis. The Phase I
16 Customer Agreement also provides that Al Brooge International Advisory
17 LLC shall pay BPGIC a fixed fee per cubic meter per month for product
18 throughput with a supplementary fee per metric ton of throughput in excess
19 of agreed volume, a fixed blending fee per cubic meter per month, a fixed
20 inter tank transfer fee per cubic meter per month, and a fixed heating fee of
21 per cubic meter per month. Further, BPGIC is entitled to pass through any
22 tariffs, additional charges or fees imposed by the Port of Fujairah. BPGIC is
23 entitled to review and seek to amend the fees every two years. This
24 adjustment can result only in the fees remaining constant or increasing.
25 BPGIC believes that the terms of this agreement are no less favorable to
26 BPGIC than would result from a similar transaction with an unaffiliated third
27 party. Al Brooge International Advisory LLC is only allowed to sublease the
28 Phase I storage tanks with BPGIC’s prior approval. H Capital International
LP is a minority stakeholder in BPGIC and following a planned sale of Mrs.
Muktar’s shares in Al Brooge International Advisory LLC, Al Brooge
International Advisory LLC will no longer be a related party.

34. This statement was materially false and misleading because it
understated Brooge’s relationship with BIA, and did not disclose that BIA had no

1 meaningful business operations aside from helping Brooge engage in accounting
2 fraud.

3 35. On November 27, 2020, the Company filed with the SEC its amended
4 annual report on Form 20-F/A for the year ended December 31, 2019 (the “2019
5 Annual Report”). Attached to the 2019 Annual Report were certifications pursuant
6 to the Sarbanes-Oxley Act of 2002 (“SOX”) signed by defendants Paardenkooper
7 and Syed attesting to the accuracy of financial reporting, the disclosure of any
8 material changes to the Company’s internal control over financial reporting, and
9 the disclosure of all fraud.

10 36. The 2019 Annual Report contained the following chart:

	2019 <i>(Restated)</i>	2018	2017
	\$	\$	\$
Revenue	44,085,374	35,839,268	89,593
Direct costs	<u>(10,202,465)</u>	<u>(9,607,360)</u>	<u>(2,295,809)</u>
GROSS PROFIT	33,882,909	26,231,908	(2,206,216)
Listing expenses	(101,773,877)	-	-
General and administrative expenses	(2,608,984)	(2,029,260)	(574,266)
Finance costs	(5,730,535)	(6,951,923)	(966,926)
Change in estimated fair value of derivative warrant liabilities	1,273,740	-	-
Changes in fair value of derivative financial instruments	<u>(328,176)</u>	<u>(1,190,073)</u>	<u>-</u>

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22 37. This statement was materially false and misleading at the time it was
23 made because, as Defendants knew, Brooge’s revenue for 2019 was materially
24 lower than \$44,085,374.

25 38. The 2019 Annual Report contained the following statement about
26 BIA:

27 *BPGIC is currently reliant on Al Brooge International Advisory LLC for*
28 *the majority of its revenues and any material non-payment or non-*

1 *performance by Al Brooge International Advisory LLC would have a*
2 *material adverse effect on BPGIC’s business, financial condition and*
3 *results of operations.*

4 Phase I of the BPGIC Terminal consists of 14 oil storage tanks with an
5 aggregate geometric oil storage capacity of approximately 0.399 million
6 m³ and related infrastructure (“**Phase I**”). On December 12, 2017, BPGIC
7 entered into a five-year lease and service agreement (the “**Phase I End User**
8 **Agreement**”) with an international energy trading company (the “**Initial**
9 **Phase I End User**”). BPGIC’s revenues historically depended solely on the
10 fees it received pursuant to the Phase I End User Agreement which were
11 comprised of (i) a monthly fixed fee to lease BPGIC’s Phase I storage
12 capacity (regardless of whether the Initial Phase I End User used any storage
13 capacity) and (ii) monthly variable fees based on the Initial Phase I End
14 User’s usage of the following ancillary services: throughput, blending,
15 heating and inter-tank transfers.

16 In August 2019, with the approval of the Initial Phase I End User, BPGIC
17 restructured its relationship with the Initial Phase I End User by entering into
18 a four-year lease and offtake agreement (the “**Phase I Customer**
19 **Agreement**”) with Al Brooge International Advisory LLC (“**BIA**”), for the
20 Phase I facility. After entering the Phase I Customer Agreement, BIA
21 assumed BPGIC’s rights and obligations under the Phase I End User
22 Agreement. Subsequently, in May 2020, BIA agreed to release 129,000
23 m³ of the Phase I capacity, amounting to approximately one third of the total
24 Phase I capacity, back to BPGIC. BPGIC leased this capacity to, Totsa Total
25 Oil Trading SA (the “**Super Major**”), for a 6 month period (the “**Super**
26 **Major Agreement**”) subject to renewal for an additional 6 month period
27 with the mutual agreement of the parties.

28 Accordingly, a majority of BPGIC’s revenues for the immediate future are
expected to consist of the fees it receives pursuant to the Phase I Customer
Agreement which are comprised of (i) a monthly fixed fee to lease
approximately two thirds of BPGIC’s Phase I storage capacity (regardless
of whether BIA uses any storage capacity) and (ii) monthly variable fees
based on BIA’s, or its sublessees’, usage of the following ancillary services:
throughput, blending, heating and inter-tank transfers.

The terms of the Phase I Customer Agreement allow BIA to sublease,
subject to BPGIC’s prior approval, the use of Phase I’s facilities. In 2020,

1 BIA subleased the use of the Phase I facility to multiple international and
2 regional end users. Under the Phase I Customer Agreement, BIA still retains
3 the obligation to pay any outstanding amounts due, including if a sublessee
4 were to fail to make any payments owed to it. There can be no assurance that
5 in the event of a non-payment by one or more of the Phase I end users, of
6 amounts owed to BIA, that BIA would honor its obligation to pay any
7 outstanding amounts due to BPGIC.

8 39. This statement was materially false and misleading because BIA did
9 not ever actually store any oil with Brooge, and engaged in a complicated set of
10 back and forth transactions with Brooge to make it appear that BIA was paying
11 Brooge, when it was not.

12 40. The 2019 Annual Report contained the following in its section on
13 related party transactions:

14 BIA was partially owned by Mrs. Hind Muktar. Mrs. Hind Muktar is also a
15 limited partner of H Capital International LP and the sole shareholder of
16 Gyan Investments Limited, the general partner of H Capital International
17 LP.

18 The Phase I Customer Agreement provides for BIA to lease approximately
19 two thirds of the total storage capacity of the Phase I facility for a fixed fee
20 per cubic meter per month payable in advance on a monthly basis. The Phase
21 I Customer Agreement also provides that BIA shall pay BPGIC a fixed fee
22 per cubic meter per month for product throughput with a supplementary fee
23 per metric ton of throughput in excess of agreed volume, a fixed blending
24 fee per cubic meter per month, a fixed inter tank transfer fee per cubic meter
25 per month, and a fixed heating fee per cubic meter per month. Further,
26 BPGIC is entitled to pass through any tariffs, additional charges or fees
27 imposed by the Port of Fujairah. BPGIC is entitled to review and seek to
28 amend the fees every two years. This adjustment can result only in the fees
remaining constant or increasing. The Company and BPGIC believe that the
terms of this agreement are no less favorable to BPGIC than would result
from a similar transaction with an unaffiliated third party. BIA is only
allowed to sublease the Phase I storage tanks with BPGIC's prior approval.
H Capital International LP is a minority stakeholder in BPGIC *and after sale
of Mrs. Muktar's shares in BIA, BIA is no longer a related party.*

1 The Phase II Customer Agreement provides for BIA to lease all eight Phase
2 II storage tanks for a fixed fee per cubic meter per month payable in advance
3 on a monthly basis. The Phase II Customer Agreement also provides that
4 BIA shall pay BPGIC a fixed fee per cubic meter per month for product
5 throughput with a supplementary fee per metric ton of throughput in excess
6 of agreed volume, a fixed blending fee per cubic meter per month, a fixed
7 inter tank transfer fee per cubic meter per month, and a fixed heating fee per
8 cubic meter per month. Further, BPGIC is entitled to pass through any
9 tariffs, additional charges or fees imposed by the Port of Fujairah. BPGIC is
10 entitled to review and seek to amend the fees every two years. This
11 adjustment can result only in the fees remaining constant or increasing. The
12 Company and BPGIC believe that the terms of this agreement are no less
13 favorable to BPGIC than would result from a similar transaction with an
14 unaffiliated third party. ***BIA is only allowed to sublease the Phase II storage
15 tanks with BPGIC's prior approval. H Capital International LP is a
16 minority stakeholder in BPGIC and after sale of Mrs. Muktar's shares in
17 BIA, BIA is no longer a related party.***

13 The Refinery Agreement provides that BIA and BPGIC will use their best
14 efforts to finalize the technical and design feasibility studies for the BIA
15 Refinery, a refinery with a capacity of 25,000 bpd. The parties further agreed
16 to negotiate, within 30 days, the Refinery Operations Agreement, a sublease
17 agreement and a joint venture agreement to govern the terms on which
18 BPGIC will sublease land to BIA to locate, BIA will construct, and BPGIC
19 will operate the refinery. Due to the COVID-19 pandemic, the parties agreed
20 to extend the period for their negotiations until August 4, 2020. BPGIC and
21 BIA are still negotiating the Refinery Operations Agreement, however
22 BPGIC expects that BIA will finance and arrange the development,
23 construction and commissioning of a modular refinery on a parcel of
24 BPGIC's remaining unutilized land and will pay an ancillary service fee in
25 connection with any ancillary services it uses. BPGIC believes that the terms
26 of this agreement will be no less favorable to BPGIC than would result from
27 a similar transaction with an unaffiliated third party. ***H Capital
28 International LP is a minority stakeholder in BPGIC and following a
planned sale of Mrs. Muktar's shares in BIA, BIA is no longer be a related
party.***

(Emphasis added).

1 41. The statements in paragraph 40 were materially false and misleading
2 because they understated the extent to which BIA was a related party to Brooge.
3 Specifically, Brooge representatives opened bank accounts on behalf of BIA, and
4 BIA conducted no meaningful business operations other than a series of fraudulent
5 transactions designed to create the illusion that Brooge was incurring significant
6 revenues when in fact, BIA never used Brooge’s services or actually paid it.

7 42. The 2019 Annual Report contained the following statement on the
8 Company’s internal controls:

9 *In connection with the preparation of the Company’s consolidated*
10 *financial statements as of and for the years ended December 31, 2017,*
11 *2018 and 2019, the Company and its independent registered public*
12 *accounting firm identified two material weaknesses in the Company’s*
13 *internal control over financial reporting, one related to lack of sufficient*
14 *skilled personnel and one related to lack of sufficient entity level and*
15 *financial reporting policies and procedures.*

16 Prior to the consummation of the Business Combination, the Company was
17 neither a publicly listed company, nor an affiliate or a consolidated
18 subsidiary of, a publicly listed company, and it has had limited accounting
19 personnel and other resources with which to address its internal controls and
20 procedures. Effective internal control over financial reporting is necessary
21 for it to provide reliable financial reports and, together with adequate
22 disclosure controls and procedures, are designed to prevent fraud.

23 In connection with the preparation and external audit of the Company’s
24 financial statements as of and for the years ended December 31, 2017 and
25 December 31, 2018, the Company and our auditors, noted material
26 weaknesses in the Company’s internal control over financial reporting. The
27 Public Company Accounting Oversight Board has defined a material
28 weakness as a deficiency, or a combination of deficiencies, in internal
control over financial reporting, such that there is a reasonable possibility
that a material misstatement of the Company’s financial statements will not
be prevented or detected on a timely basis.

 The material weaknesses identified were (1) a lack of sufficient skilled
personnel with requisite IFRS and SEC reporting knowledge and experience

1 and (2) a lack of sufficient entity level and financial reporting policies and
2 procedures that are commensurate with IFRS and SEC reporting
3 requirements. These material weaknesses remain as of December 31, 2019.

4 The Company was not required to perform an evaluation of internal control
5 over financial reporting as of December 31, 2019, December 31, 2018 or
6 December 31, 2017 in accordance with the provisions of the Sarbanes-
7 Oxley Act. Had such an evaluation been performed, additional control
8 deficiencies may have been identified by the Company's management, and
9 those control deficiencies could have also represented one or more material
10 weaknesses.

11 The Company's auditors did not undertake an audit of the effectiveness of
12 its internal controls over financial reporting. The Company's independent
13 registered public accounting firm will not be required to report on the
14 effectiveness of their respective internal controls over financial reporting
15 pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002 until the
16 Company's first annual report on Form 20-F following the date on which it
17 ceases to qualify as an "emerging growth company," which may be up to
18 five full fiscal years following the date of the Closing. The process of
19 assessing the effectiveness of the Company's internal control over financial
20 reporting may require the investment of substantial time and resources,
21 including by members of the Company's senior management. As a result,
22 this process may divert internal resources and take a significant amount of
23 time and effort to complete. In addition, the Company cannot predict the
24 outcome of this determination and whether the Company will need to
25 implement remedial actions in order to implement effective control over
26 financial reporting. If in subsequent years the Company is unable to assert
27 that the Company's internal control over financial reporting is effective, or
28 if the Company's auditors express an opinion that the Company's internal
control over financial reporting is ineffective, the Company could lose
investor confidence in the accuracy and completeness of their financial
reports, which could have a material adverse effect on the price of the
Company's securities. Since the date of the Original Form 20-F, the
Company has implemented measures to address the material weaknesses,
including (i) hiring personnel with relevant public reporting experience, (ii)
conducting training for Company personnel with respect to IFRS and SEC
financial reporting requirements and (iii) engaging a third party to prepare
standard operating procedures for the Company. In this regard, the Company
has, and will need to continue to, dedicate internal resources, recruit

1 personnel with public reporting experience, potentially engage additional
 2 outside consultants and adopt a detailed work plan to assess and document
 3 the adequacy of their internal control over financial reporting. This has, and
 4 may continue to, include taking steps to improve control processes as
 5 appropriate, validating that controls are functioning as documented and
 implementing a continuous reporting and improvement process for internal
 control over financial reporting.

6 43. This statement was materially false and misleading because it
 7 materially understated the extent of the Company's internal controls issues.

8 44. On April 6, 2021, the Company filed with the SEC its amended annual
 9 report on Form 20-F/A for the year ended December 31, 2020 (the "2020 Annual
 10 Report"). Attached to the 2020 Annual Report were certifications pursuant to SOX
 11 signed by defendants Paardenkooper and Syed attesting to the accuracy of financial
 12 reporting, the disclosure of any material changes to the Company's internal control
 13 over financial reporting, and the disclosure of all fraud.

14 45. The 2020 Annual Report contained the following chart:

15 Selected Financial Information

	2020	2019	2018	2017
	\$	(Restated)\$	\$	\$
18 Revenue	41,831,537	44,085,374	35,839,268	89,593
19 Direct costs	(12,944,760)	(10,202,465)	(9,607,360)	(2,295,809)
20 GROSS PROFIT (LOSS)	28,886,777	33,882,909	26,231,908	(2,206,216)
21 Listing expenses	-	(101,773,877)	-	-
22 General and administrative expenses	(6,456,884)	(2,608,984)	(2,029,260)	(574,266)
23 Finance costs	(8,306,150)	(5,730,535)	(6,951,923)	(966,926)
24 Change in estimated fair value of derivative warrant liabilities	2,547,542	1,273,740	-	-
25 Changes in fair value of derivative financial instruments	(340,504)	(328,176)	(1,190,073)	-
26 Other Income	828,332	-	-	-

27 46. This statement was materially false and misleading at the time it was
 28 made because, as Defendants knew, Brooge's revenue for 2020 was materially
 lower than \$41,831,537.

1 47. The 2020 Annual Report contained the following in its section on
2 related party transactions:

3 BIA was partially owned by Mrs. Hind Muktar who is also a limited partner
4 of H Capital International LP and the sole shareholder of Gyan Investments
5 Limited, the general partner of H Capital International LP.

6 The Phase I Customer Agreement provides for BIA to lease approximately
7 two thirds of the total storage capacity of the Phase I facility for a fixed fee
8 per cubic meter per month payable in advance on a monthly basis. The Phase
9 I Customer Agreement also provides that BIA shall pay BPGIC a fixed fee
10 per cubic meter per month for product throughput with a supplementary fee
11 per metric ton of throughput in excess of agreed volume per year, a fixed
12 blending fee per cubic meter per month, a fixed inter tank transfer fee per
13 cubic meter per month, and a fixed heating fee per cubic meter per month.
14 Further, BPGIC is entitled to pass through any tariffs, additional charges or
15 fees imposed by the Port of Fujairah. BPGIC is entitled to review and seek
16 to amend the fees every two years. This adjustment can result only in the
17 fees remaining constant or increasing. The Company believes that the terms
18 of this agreement are no less favorable to BPGIC than would result from a
19 similar transaction with an unaffiliated third party. BIA is only allowed to
20 sublease the Phase I storage tanks with BPGIC's prior approval. ***H Capital
21 International LP is a minority shareholder in the Company, and following
22 the sale of Mrs. Muktar's shares in BIA, BIA is no longer a related party.***

23 The Phase II Customer Agreement provides for BIA to lease all eight Phase
24 II storage tanks for a fixed fee per cubic meter per month payable in advance
25 on a monthly basis. The Phase II Customer Agreement also provides that
26 BIA shall pay BPGIC a fixed fee per cubic meter per month for product
27 throughput in excess of agreed volume, a fixed blending fee per cubic meter
28 per month, a fixed inter tank transfer fee per cubic meter per month, and a
fixed heating fee per cubic meter per month. Further, BPGIC is entitled to
pass through any tariffs, additional charges or fees imposed by the Port of
Fujairah. BPGIC is entitled to review and seek to amend the fees every two
years. This adjustment can result only in the fees remaining constant or
increasing. The Company believes that the terms of this agreement are no
less favorable to BPGIC than would result from a similar transaction with
an unaffiliated third party. BIA is only allowed to sublease the Phase II
storage tanks with BPGIC's prior approval. ***H Capital International LP is***

1 ***a minority shareholder in the Company, and following the sale of Mrs.***
2 ***Muktar's shares in BIA, BIA is no longer a related party.***

3 The Refinery Agreement provides that BIA and BPGIC will use their best
4 efforts to finalize the technical and design feasibility studies for the BIA
5 Refinery, a refinery with a capacity of 25,000 b/d. The parties further agreed
6 to negotiate, within 30 days, the Refinery Operations Agreement, a sublease
7 agreement and a joint venture agreement to govern the terms on which
8 BPGIC will sublease land to BIA to locate, BIA will construct, and BPGIC
9 will operate the refinery. The parties have agreed to extend the period for
10 their negotiations until the Second Quarter of 2021. BPGIC and BIA are still
11 negotiating the Refinery Operations Agreement, however BPGIC expects
12 that BIA will finance and arrange the development, construction and
13 commissioning of a modular refinery on a parcel of BPGIC's remaining
14 unutilized land and will pay an ancillary service fee in connection with any
15 ancillary services it uses. The Company and BPGIC believe that the terms
16 of this agreement will be no less favorable to BPGIC than would result from
17 a similar transaction with an unaffiliated third party. ***H Capital***
18 ***International LP is a minority shareholder in BPGIC, and following the***
19 ***sale of Mrs. Muktar's shares in BIA, BIA is no longer a related party.***

20 (Emphasis added).

21 48. The statements in paragraph 47 were materially false and misleading
22 because they understated the extent to which BIA was a related party to Brooge.
23 Specifically, Brooge representatives opened bank accounts on behalf of BIA, and
24 BIA conducted no meaningful business operations other than a series of fraudulent
25 transactions designed to create the illusion that Brooge was incurring significant
26 revenues when in fact, BIA never used Brooge's services or actually paid it.

27 49. The 2020 Annual Report contained the following statement on the
28 Company's internal controls:

In connection with the preparation of the Company's consolidated
financial statements as of and for the years ended December 31, 2017,
2018, 2019 and 2020, the Company and its independent registered public
accounting firm identified two material weaknesses in the Company's
internal control over financial reporting, one related to lack of sufficient

1 *skilled personnel and one related to lack of sufficient entity level and*
2 *financial reporting policies and procedures.*

3 Prior to the consummation of the Business Combination, the Company was
4 neither a publicly listed company, nor an affiliate or a consolidated
5 subsidiary of, a publicly listed company, and it has had limited accounting
6 personnel and other resources with which to address its internal controls and
7 procedures. Effective internal control over financial reporting is necessary
8 for the Company to provide reliable financial reports and, together with
9 adequate disclosure controls and procedures, are designed to prevent fraud.

10 In connection with the preparation and external audit of the Company's
11 financial statements as of and for the years ended December 31, 2017, 2018,
12 2019 and 2020, the Company and our auditors, noted material weaknesses
13 in the Company's internal control over financial reporting. The SEC defines
14 a material weakness as a deficiency, or a combination of deficiencies, in
15 internal control over financial reporting, such that there is a reasonable
16 possibility that a material misstatement of the Company's financial
17 statements will not be prevented or detected on a timely basis.

18 The material weaknesses identified were (i) a lack of sufficient skilled
19 personnel with requisite IFRS and SEC reporting knowledge and experience
20 and (ii) a lack of sufficient entity level and financial reporting policies and
21 procedures that are commensurate with IFRS and SEC reporting
22 requirements. During the year 2020, the Company took the steps below to
23 minimize the effects of both these material weaknesses:

- 24 • The Company appointed a new chief financial officer and other
25 finance personnel with relevant public reporting experience and also
26 conducted trainings for new employees with respect to IFRS and SEC
27 reporting requirements; and
- 28 • The Company appointed a third party consultant to prepare the
processes of financial reporting and help the Company to implement
them, and the consultant is in the final stages of finalizing the
processes.

In this regard, the Company has, and will need to continue to, dedicate
internal resources, recruit more personnel with public reporting experience,

1 potentially engage additional outside consultants and adopt a detailed work
2 plan to assess and document the adequacy of its internal control over
3 financial reporting. This has, and may continue to, include taking steps to
4 improve control processes as appropriate, validating that controls are
5 functioning as documented and implementing a continuous reporting and
6 improvement process for internal control over financial reporting.

7 The Company's auditors did not undertake an audit of the effectiveness of
8 its internal control over financial reporting. The Company's independent
9 registered public accounting firm will not be required to report on the
10 effectiveness of the Company's internal control over financial reporting
11 pursuant to Section 404(b) of the Sarbanes-Oxley Act until the Company's
12 first Annual Report on Form 20-F following the date on which it ceases to
13 qualify as an "emerging growth company," which may be up to five full
14 fiscal years following the date of the Company's initial sale of common
15 equity pursuant to a registration statement declared effective under the
16 Securities Act. The process of assessing the effectiveness of the Company's
17 internal control over financial reporting may require the investment of
18 substantial time and resources, including by members of the Company's
19 senior management. As a result, this process may divert internal resources
20 and take a significant amount of time and effort to complete. In addition, the
21 Company cannot predict the outcome of this determination and whether the
22 Company will need to implement remedial actions in order to implement
23 effective control over financial reporting. If in subsequent years the
24 Company is unable to assert that the Company's internal control over
25 financial reporting is effective, or if the Company's auditors express an
26 opinion that the Company's internal control over financial reporting is
27 ineffective, the Company could lose investor confidence in the accuracy and
28 completeness of its financial reports, which could have a material adverse
effect on the price of the Company's securities.

50. This statement was materially false and misleading because it
materially understated the extent of the Company's internal controls issues, as well
as overstated the effectiveness of the Company's remediation efforts.

51. Due to the extent of the Company's issues, it never actually filed a
2021 Annual Report on Form 20-F with the SEC. On April 27, 2022, the Company
filed a late filing notice on Form NT 20-F, and then an amended late filing notice
on Form NT 20-F/A on May 3, 2022.

1 52. On April 26, 2023, the Company filed with the SEC its amended
2 annual report on Form 20-F for the year ended December 31, 2022 (the “2022
3 Annual Report”). Attached to the 2022 Annual Report were certifications pursuant
4 to SOX signed by defendants Saheb and Ditchburn attesting to the accuracy of
5 financial reporting, the disclosure of any material changes to the Company’s
6 internal control over financial reporting, and the disclosure of all fraud.

7 53. Three amendments were filed to the 2022 Annual Report on May 1,
8 2023, May 2, 2023, and May 2, 2023, respectively, in order to add exhibits to the
9 2022 Annual Report.

10 54. The 2022 Annual Report contained the following statement regarding
11 an SEC Investigation:

12 *The Company is currently the subject of an investigation by the staff of the*
13 *SEC.*

14 ***The Company is currently the subject of an investigation by the staff of the***
15 ***SEC concerning issues related to the Company’s prior revenue***
16 ***recognition and financial reporting practices and disclosures, its prior***
17 ***systems of internal controls, and certain of its past dealings with or***
18 ***communications to previous independent auditors.*** Among other things,
19 the SEC investigation concerns matters identified during an internal
20 examination performed at the instance of the Company’s Audit Committee,
21 ***which produced certain preliminary findings that caused the Company to***
22 ***withdraw reliance on its previously-issued financial statements for certain***
23 ***earlier periods.***

24 As noted, the SEC investigation is ongoing. ***The Company is currently***
25 ***unable to predict with any reasonable degree of certainty whether the***
26 ***investigation will lead to claims by the SEC against the Company or any***
27 ***of its present or former personnel.*** The Company is also unable to predict
28 with any reasonable degree of certainty the likelihood of a favorable or
unfavorable outcome if any claims are asserted by the SEC related to these
matters. Further, the Company is unable to predict with any reasonable
degree of certainty the likelihood of a favorable or unfavorable outcome if
the SEC does assert such claims, or the precise character of any potential

1 findings against or sanctions imposed on the Company to the extent the
2 investigation produces an enforcement proceeding that results in an
3 unfavorable outcome.

4 (Emphasis added).

5 55. This statement was materially misleading because it understated the
6 degree of the Company's culpability, considering that the Company had fabricated
7 revenues, lied to its auditors, and lied to the SEC during its investigation.

8 56. The 2022 Annual Report contained the following statement on the
9 Company's internal controls:

10 *In connection with the preparation of the Company's consolidated*
11 *financial statements as of and for the years ended December 31, 2019,*
12 *2020, 2021 and 2022, the Company and its independent registered public*
13 *accounting firm identified two material weaknesses in the Company's*
14 *internal control over financial reporting, one related to lack of sufficient*
15 *skilled personnel and one related to lack of sufficient entity level and*
16 *financial reporting policies and procedures.*

17 Prior to the consummation of the Business Combination, the Company was
18 neither a publicly listed company, nor an affiliate or a consolidated
19 subsidiary of, a publicly listed company, and it has had limited accounting
20 personnel and other resources with which to address its internal controls and
21 procedures. Effective internal control over financial reporting is necessary
22 for the Company to provide reliable financial reports and, together with
23 adequate disclosure controls and procedures, are designed to prevent fraud.

24 In connection with the preparation and external audit of the Company's
25 financial statements as of and for the years ended December 31, 2019, 2020,
26 2021 and 2022, the Company and our auditors, noted material weaknesses
27 in the Company's internal control over financial reporting. The SEC defines
28 a material weakness as a deficiency, or a combination of deficiencies, in
internal control over financial reporting, such that there is a reasonable
possibility that a material misstatement of the Company's financial
statements will not be prevented or detected on a timely basis.

The material weaknesses identified were (i) a lack of sufficient skilled
personnel with requisite IFRS and SEC reporting knowledge and experience
and (ii) a lack of sufficient entity level and financial reporting policies and

1 procedures that are commensurate with IFRS and SEC reporting
2 requirements. During the years 2020, 2021, and 2022, the Company took the
3 steps below to minimize the effects of both these material weaknesses:

- 4 • The Company appointed a new chief financial officer and other
5 finance personnel with relevant public reporting experience and also
6 conducted trainings for new employees with respect to IFRS and SEC
7 reporting requirements; and
- 8 • The Company appointed a third party consultant to prepare the
9 processes of financial reporting and help the Company to implement
10 them.

11 In this regard, the Company has, and is continuing to, dedicate internal
12 resources, training their personnel with public reporting experience, and
13 ensure that outside consultants adopted a detailed work plan to assess and
14 document the adequacy of its internal control over financial reporting. This
15 has, and may continue to, include taking steps to improve control processes
16 as appropriate, validating that controls are functioning as documented and
17 implementing a continuous reporting and improvement process for internal
18 control over financial reporting.

19 The Company's auditors did not undertake an audit of the effectiveness of
20 its internal control over financial reporting. The Company's independent
21 registered public accounting firm will not be required to report on the
22 effectiveness of the Company's internal control over financial reporting
23 pursuant to Section 404(b) of the Sarbanes-Oxley Act until the Company's
24 first Annual Report on Form 20-F following the date on which it ceases to
25 qualify as an "emerging growth company," which may be up to five full
26 fiscal years following the date of the Company's initial sale of common
27 equity pursuant to a registration statement declared effective under the
28 Securities Act. The process of assessing the effectiveness of the Company's
internal control over financial reporting may require the investment of
substantial time and resources, including by members of the Company's
senior management. As a result, this process may divert internal resources
and take a significant amount of time and effort to complete. In addition, the
Company cannot predict the outcome of this determination and whether the
Company will need to implement remedial actions in order to implement
effective control over financial reporting. If in subsequent years the
Company is unable to assert that the Company's internal control over
financial reporting is effective, or if the Company's auditors express an
opinion that the Company's internal control over financial reporting is

1 ineffective, the Company could lose investor confidence in the accuracy and
2 completeness of its financial reports, which could have a material adverse
effect on the price of the Company's securities.

3 57. This statement was materially false and misleading because it
4 materially understated the extent of the Company's internal controls issues, as well
5 as overstated the effectiveness of the Company's remediation efforts.

6 58. The statements contained in ¶¶ 26, 27, 29, 31, 33, 35, 36, 38, 40, 42,
7 44, 45, 47, 49, 52, 54, and 56 were materially false and/or misleading because they
8 misrepresented and failed to disclose the following adverse facts pertaining to the
9 Company's business, operations and prospects, which were known to Defendants
10 or recklessly disregarded by them. Specifically, Defendants made false and/or
11 misleading statements and/or failed to disclose that: (1) Brooge materially
12 overstated its revenues because it never received any revenues from BIA, as well
13 as another fictitious customer; (2) Brooge engaged in a complex pattern of
14 payments with BIA to create the illusion of revenues from BIA and another
15 customer that had no knowledge of the fraud; (3) Brooge intentionally lied to its
16 auditors and the Securities and Exchange Commission about its fraudulent
17 activities; (4) Brooge lacked internal controls; and (5) as a result, Defendants'
18 statements about its business, operations, and prospects, were materially false and
19 misleading and/or lacked a reasonable basis at all relevant times.

20 **THE TRUTH BEGINS TO EMERGE**

21 59. On December 22, 2023, the SEC posted a release on its website
22 entitled "SEC Charges UAE-Based Brooge Energy and Former Executives with
23 Fraud." Attached to this release was an order instituting cease-and-desist
24 proceedings, pursuant to Section 8A of the Securities Act of 1933 and Section 21C
25 of the Securities Exchange Act of 1934, Making Findings, and Imposing a Cease-
26 And-Desist Order (the "SEC Order" or the "Order").

1 60. The SEC Order provided more context and detail on the restated
2 revenue figures that the Company first announced in its 2022 Annual Report. The
3 restated figures, as stated in the Order, were as follows:

	2018	2019	2020
Revenue as Restated	\$6,387,348	\$15,885,219	\$27,191,176
Revenue as Originally Reported	\$35,839,268	\$44,085,374	\$41,831,537

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9 61. The SEC Order stated that “Brooge went public through a [SPAC]
10 transaction in December 2019. Further, “[b]efore and after going public between
11 *thirty (30) and eighty (80) percent of Brooge’s revenues were unsupported and*
12 *materially misstated from 2018 through early 2021[.]*” (Emphasis added).

13 62. The SEC Order defined the “Relevant Period” as “from 2018 through
14 early 2021.”

15 63. The SEC Order further noted that, subsequent to the SPAC
16 transaction, Brooge “registered the offer and sale of up to \$500 million in different
17 types of securities with the Commission and an affiliate of the company issued
18 \$200 million of 5-year senior secured bonds in the Nordic bond market.”

19 64. The SEC contained the following about the mechanics of Brooge’s
20 fraud:

21 The crux of the fraud was the creation of two sets of invoices. The first
22 consisted of actual invoices to customers who stored oil at Brooge’s facilities
23 in Fujairah. Customers paid these invoices in the ordinary course. *A second*
24 *set of invoices which reflected significantly higher rates and volumes were*
25 *ostensibly sent to customers who never used Brooge’s facilities. These*
26 *invoices were “paid” through a complicated series of unsupported*
27 *transactions involving an affiliated or related party.* Brooge’s former
28 [CEO] Paardenkooper and former [CSO and Interim CEO], Saheb (together
“Senior Management”) knew, or were reckless in not knowing, of the
accounting fraud.”

1 (Emphasis added).

2 65. The SEC Order detailed how Brooge misled its auditors regarding its
3 true revenues. Specifically, it stated that “[c]ertain personnel reporting to Senior
4 Management provided Brooge’s outside auditors with *only the second set of*
5 *invoices along with falsified ledger entries and other documents designed to*
6 *support the inflated rates and volumes on the false second set of invoices.*”

7 (Emphasis added).

8 66. In addition to the false second set of invoices that were already
9 mentioned, the SEC order stated that “*in order to avoid an event of default on the*
10 *Nordic bonds, an affiliate of the company created a third set of unsupported*
11 *invoices, and certain persons at the company directed the creation of additional*
12 *false documents during the pendency of our investigation.*” (Emphasis added).

13 67. As detailed in the SEC Order, investors have been misled since before
14 the SPAC Merger was closed:

15 *On April 15, 2019, Brooge and [BPGIC Subsidiary] entered into a*
16 *Business Combination Agreement with a SPAC that had raised \$180*
17 *million in an initial public offering.* On November 25, 2019, the SPAC filed
18 a proxy statement *that included historical financial information for*
19 *[BPGIC Subsidiary]. According to those proxy materials, [BPGIC*
20 *Subsidiary’s] revenues were \$35.839 million for 2018 and \$22.042 for the*
21 *six months ended June 30, 2019 - figures that were overstated.* After
22 receiving BPGIC’s historical and projected financial performance, the
23 SPAC placed a value on the proposed transaction of approximately one
24 billion dollars.

25 (Emphasis added).

26 68. The SEC Order further stated that those false revenue figures “were
27 used during roadshows in the United States to market the SPAC merger to
28 investors.” The SEC noted that “[o]n December 19, 2019, the business combination
closed with a share price of \$10.32. The vast majority of SPAC shareholders

1 redeemed their shares for cash and, as a result, the new entity Brooge received only
2 \$16.7 from the transaction.” Further, the SEC Order stated that “[a]s a result of the
3 inflated financials, BPGIC [Subsidiary] was able to support a higher share price
4 for the business combination.”

5 69. The Order further noted the following:

6 During the Relevant Period, Brooge represented to investors, bankers and
7 auditors that it had a single customer contractually obligated to rent 100% of
8 its storage capacity and certain other services at specific rates, thereby
9 producing revenue of approximately \$44 million per year. ***In reality, actual***
10 ***customers used a smaller portion of the storage capacity and almost no***
11 ***ancillary services, at rates lower than those specified in the single-***
12 ***customer contract.*** The difference was addressed through an accounting
13 scheme that relied upon a false second set of invoices. From December 2017
14 until at least December 2020, ***Brooge improperly recognized revenues by***
15 ***issuing invoices to two customers, Customer A and Al Brooge***
16 ***International Advisory LLC (“BIA”).***

17 (Emphasis added).

18 70. The Order noted that Customer A was a “private company [. . .] that
19 purports to be in the business of buying and selling crude oil.” On December 12,
20 2017, “[BPGIC Subsidiary] entered into an agreement pursuant to which customer
21 A leased [the entirety of] [BPGIC Subsidiary’s] storage capacity” in a deal that was
22 to be for “five years at a monthly rate of \$5.00 per cubic meter for storage and
23 \$1.70 for certain ancillary services.” The Order noted that this agreement “formed
24 the basis of the company’s cash flow projections”, but that “***Customer A never***
25 ***stored any oil and never paid anything to [BPGIC Subsidiary].***” (Emphasis
26 added).

27 71. Rather than lease its entire storage capacity to Company A, the Order
28 noted that “[BPGIC Subsidiary] provided services to oil and gas companies that

1 used its storage facility *but at significantly lower rates and volumes than those*
2 *reflected in the contract with Customer A.*” (Emphasis added).

3 72. The SEC Order then detailed how, in order to make it appear that
4 Customer A was paying Brooge, a second set of over one hundred fake invoices
5 were created and addressed to Customer A, and then the financial figures were
6 manipulated.

7 73. Subsequently to creating the false invoices, Brooge did the following:

8 To make it appear as if these invoices had been paid, [BPGIC Subsidiary]
9 engaged in a series of complicated transactions with BIA, an affiliated or
10 related party, pursuant to which BIA wrote checks to [BPGIC Subsidiary]
11 and then [BPGIC Subsidiary] wrote checks for corresponding amounts to
12 BIA. *These were recorded in the company’s general ledger as payments by*
13 *Customer A.*

14 (Emphasis added).

15 74. The SEC Order stated that BIA, the company which participated in
16 the scheme to create the illusion of payments from Customer A, “was a private
17 company located in Abu Dhabi *and an affiliated or related party of [BPGIC*
18 *Subsidiary]. One of the owners of BIA was a shareholder in [BPGIC*
19 *Subsidiary].*” (Emphasis added). Furthermore, “[r]epresentatives of [BPGIC
20 Subsidiary] *opened bank accounts on behalf of BIA. BIA had no meaningful*
21 *business operations aside from participating in the misstatements of revenues*
22 *associated with [BPGIC Subsidiary].*” (Emphasis added).

23 75. In addition to helping Brooge, through its subsidiary, create the false
24 impression of revenue from Customer A, BIA also assisted Brooge in its scheme
25 of using fake invoices to create the impression of revenue. The SEC Order stated
26 the following:

27 From August 2019 through at least December 2020, *these improper*
28 *accounting practices continued in largely the same manner, but with BIA*

1 *in the place of Customer A.* In August 2019, [BPGIC Subsidiary]’s contract
2 with Customer A was novated to BIA under similar terms, *e.g.*, BIA was
3 obligated to lease the full 399,324 cubic meter storage capacity of all
4 fourteen (14) tanks at a monthly rate of \$5.00 per cubic meter for storage
5 and \$1.70 for certain ancillary services. ***BIA never stored any oil with***
6 ***[BPGIC Subsidiary].***

(Emphasis added).

7 76. The SEC Order provided the following detail regarding the fraudulent
8 invoices that were sent to BIA:

9 [BPGIC Subsidiary] continued to provide services to oil and gas companies
10 that used its storage facility ***but at significantly lower rates and volumes***
11 ***than those reflected in the contract novated to BIA.*** A second set of
12 invoices addressed to BIA was created. These invoices reflected the same
13 total amounts as the invoices sent to oil and gas companies that used the
14 storage facility but at the contractual storage rate of \$5.00 per cubic meter
15 with storage quantities adjusted downward to make the math consistent.
16 Certain of these invoices also re-characterized ancillary services as storage
17 fees. ***In this manner, between August 2019 and December 2020, [BPGIC***
18 ***Subsidiary] created over two hundred unsupported invoices addressed to***
19 ***BIA.***

(Emphasis added).

20 77. Further, the Company engaged in a series of fraudulent transactions
21 to make it appear that BIA was engaging in business with BPGIC Subsidiary. The
22 Order stated the following:

23 As it had done previously with respect to Customer A, [BPGIC Subsidiary
24 created invoices addressed to BIA to fill the gap in projected revenues.
25 [BPGIC Subsidiary] issued these invoices on a monthly basis from August
26 2019 through at least December 2020. The majority were in amounts ranging
27 from \$1.5-to-\$2.5 million. ***BIA did not store any oil with [BPGIC***
28 ***Subsidiary]. In order to make it appear as if these invoices were paid,***
BPGIC engaged in a complicated series of transactions pursuant to which
BIA wrote checks to [BPGIC Subsidiary] and then [BPGIC Subsidiary]
wrote checks in similar amounts to BIA.

1 (Emphasis added).

2
3 78. The fraud didn't stop there. The SEC Order detailed how there was a
4 third set of unsupported invoices, in addition to those involving Customer A and
5 BIA:

6 [. . .] [I]n May and June 2021, Brooge created another set of unsupported
7 invoices to avoid a potential event of default on the Nordic bonds. These
8 invoices were addressed-but never sent- to real customers and reflected
9 charges for ancillary services far in excess of actual usage rates. ***The result***
10 ***was that Brooge's revenues and EBITDA were artificially inflated for the***
11 ***six months ended June 30, 2021.***

11 (Emphasis added).

12 79. Further, the Company lied to its auditors. The SEC Order stated the
13 following:

14 Senior Management and persons acting at their direction concealed the
15 inflated revenues from the company's outside auditors, E&Y and PwC.
16 Outside auditors were provided with contracts and false invoices to
17 Customer A and BIA, but the company did not provide them contracts and
18 invoices with actual customers. ***Additionally, numerous false entries to the***
19 ***company's general ledger were made and then provided to the outside***
20 ***auditors.***

21 ***[BPGIC Subsidiary] provided false audit evidence requested by E&Y and***
22 ***PwC as part of their invoice testing. This included the fabrication of emails***
23 ***and "customer order forms." These efforts were intended to make it appear***
24 ***as if the company had business communications with Customer A or BIA***
25 ***when it had not.*** This was done when E&Y selected a handful of Customer
26 A and BIA invoices for testing during the 2018 and 2019 audits and when
27 PwC requested backup support for ancillary services revenue from BIA
28 during the 2020 audit. ***The false materials provided to PwC include charts***
purporting to show which vessels were delivering oil in Fujairah, UAE, on
specific dates. In reality, those vessels were scattered throughout the world,
including off the coasts of India, Indonesia, Egypt, West Africa, and in the
Gulf of Mexico.

1 (Emphasis added).

2
3 80. The SEC Order stated the following about Defendant Paardenkooper:
4 Paardenkooper signed management representation letters representing that
5 the company had “made available to [the outside auditors] all significant
6 contracts, communications (either written or oral), and other related
7 information pertaining to arrangements with customers” and confirmation
8 letters attesting falsely to account receivable balances from Customer A and
9 BIA.

10 81. The SEC Order revealed that Brooge employees took additional steps
11 to cover up the accounting fraud from SEC staff, once the SEC began to investigate.
12 Specifically, “[a]t the direction of Senior Management, *Brooge employees created*
13 *three categories of false documents which were provided to Commission staff*
14 *during the investigation.*” (Emphasis added).

15 82. On this news, the price of Brooge stock declined by \$0.62, or 15.66%,
16 to close at \$3.34 on December 22, 2023. The next trading day, it fell by a further
17 \$0.37, or 11.08%, to close at \$2.97 on December 26, 2023.

18 83. As a result of Defendants’ wrongful acts and omissions, and the
19 precipitous decline in the market value of the Company’s common shares, Plaintiff
20 and other Class members have suffered significant losses and damages.

21 **PLAINTIFF’S CLASS ACTION ALLEGATIONS**

22 84. Plaintiff brings this action as a class action pursuant to Federal Rule
23 of Civil Procedure 23(a) and (b)(3) on behalf of a class consisting of all persons
24 other than defendants who acquired the Company’s securities publicly traded on
25 NASDAQ during the Class Period, and who were damaged thereby (the “Class”).
26 Excluded from the Class are Defendants, the officers and directors of the Company,
27 members of the Individual Defendants’ immediate families and their legal
28

1 representatives, heirs, successors or assigns and any entity in which Defendants
2 have or had a controlling interest.

3 85. The members of the Class are so numerous that joinder of all members
4 is impracticable. Throughout the Class Period, the Company's securities were
5 actively traded on NASDAQ. While the exact number of Class members is
6 unknown to Plaintiff at this time and can be ascertained only through appropriate
7 discovery, Plaintiff believes that there are hundreds, if not thousands of members
8 in the proposed Class.

9 86. Plaintiff's claims are typical of the claims of the members of the Class
10 as all members of the Class are similarly affected by Defendants' wrongful conduct
11 in violation of federal law that is complained of herein.

12 87. Plaintiff will fairly and adequately protect the interests of the
13 members of the Class and has retained counsel competent and experienced in class
14 and securities litigation. Plaintiff has no interests antagonistic to or in conflict with
15 those of the Class.

16 88. Common questions of law and fact exist as to all members of the Class
17 and predominate over any questions solely affecting individual members of the
18 Class. Among the questions of law and fact common to the Class are:

- 19 • whether the Exchange Act was violated by Defendants' acts as alleged
20 herein;
- 21 • whether statements made by Defendants to the investing public during
22 the Class Period misrepresented material facts about the business and
23 financial condition of the Company;
- 24 • whether Defendants' public statements to the investing public during
25 the Class Period omitted material facts necessary to make the statements
26 made, in light of the circumstances under which they were made, not
27 misleading;

- 1 • whether the Defendants caused the Company to issue false and
- 2 misleading filings during the Class Period;
- 3 • whether Defendants acted knowingly or recklessly in issuing false
- 4 filings;
- 5 • whether the prices of the Company securities during the Class Period
- 6 were artificially inflated because of the Defendants' conduct complained of
- 7 herein; and
- 8 • whether the members of the Class have sustained damages and, if so,
- 9 what is the proper measure of damages.

10 89. A class action is superior to all other available methods for the fair
11 and efficient adjudication of this controversy since joinder of all members is
12 impracticable. Furthermore, as the damages suffered by individual Class members
13 may be relatively small, the expense and burden of individual litigation make it
14 impossible for members of the Class to individually redress the wrongs done to
15 them. There will be no difficulty in the management of this action as a class action.

16 90. Plaintiff will rely, in part, upon the presumption of reliance
17 established by the fraud-on-the-market doctrine in that:

- 18 • the Company's shares met the requirements for listing, and were listed
- 19 and actively traded on NASDAQ, an efficient market;
- 20 • as a public issuer, the Company filed periodic public reports;
- 21 • the Company regularly communicated with public investors via
- 22 established market communication mechanisms, including through the
- 23 regular dissemination of press releases via major newswire services and
- 24 through other wide-ranging public disclosures, such as communications with
- 25 the financial press and other similar reporting services;
- 26 • the Company's securities were liquid and traded with moderate to
- 27 heavy volume during the Class Period; and

1 96. Defendants violated §10(b) of the 1934 Act and Rule 10b-5 in that
2 they:

- 3 • employed devices, schemes and artifices to defraud;
- 4 • made untrue statements of material facts or omitted to state material
5 facts necessary in order to make the statements made, in light of the
6 circumstances under which they were made, not misleading; or
- 7 • engaged in acts, practices and a course of business that operated as a
8 fraud or deceit upon plaintiff and others similarly situated in connection with
9 their purchases of the Company's securities during the Class Period.

10 97. Defendants acted with scienter in that they knew that the public
11 documents and statements issued or disseminated in the name of the Company
12 were materially false and misleading; knew that such statements or documents
13 would be issued or disseminated to the investing public; and knowingly and
14 substantially participated, or acquiesced in the issuance or dissemination of such
15 statements or documents as primary violations of the securities laws. These
16 defendants by virtue of their receipt of information reflecting the true facts of the
17 Company, their control over, and/or receipt and/or modification of the Company's
18 allegedly materially misleading statements, and/or their associations with the
19 Company which made them privy to confidential proprietary information
20 concerning the Company, participated in the fraudulent scheme alleged herein.

21 98. Individual Defendants, who are the senior officers of the Company,
22 had actual knowledge of the material omissions and/or the falsity of the material
23 statements set forth above, and intended to deceive Plaintiff and the other members
24 of the Class, or, in the alternative, acted with reckless disregard for the truth when
25 they failed to ascertain and disclose the true facts in the statements made by them
26 or any other of the Company's personnel to members of the investing public,
27 including Plaintiff and the Class.

28

1 of their senior positions, they knew the adverse non-public information about the
2 Company's false financial statements.

3 105. As officers of a publicly owned company, the Individual Defendants
4 had a duty to disseminate accurate and truthful information with respect to the
5 Company's financial condition and results of operations, and to correct promptly
6 any public statements issued by the Company which had become materially false
7 or misleading.

8 106. Because of their positions of control and authority as senior officers,
9 the Individual Defendants were able to, and did, control the contents of the various
10 reports, press releases and public filings which the Company disseminated in the
11 marketplace during the Class Period concerning the Company's results of
12 operations. Throughout the Class Period, the Individual Defendants exercised their
13 power and authority to cause the Company to engage in the wrongful acts
14 complained of herein. The Individual Defendants therefore, were "controlling
15 persons" of the Company within the meaning of Section 20(a) of the Exchange
16 Act. In this capacity, they participated in the unlawful conduct alleged which
17 artificially inflated the market price of the Company's securities.

18 107. By reason of the above conduct, the Individual Defendants are liable
19 pursuant to Section 20(a) of the Exchange Act for the violations committed by the
20 Company.

21 **PRAYER FOR RELIEF**

22 **WHEREFORE**, Plaintiff, on behalf of himself and the Class, prays for
23 judgment and relief as follows:

24 (a) declaring this action to be a proper class action, designating Plaintiff
25 as Lead Plaintiff and certifying Plaintiff as a class representative under Rule 23 of
26 the Federal Rules of Civil Procedure and designating Plaintiff's counsel as Lead
27 Counsel;

1 (b) awarding damages in favor of Plaintiff and the other Class members
2 against all Defendants, jointly and severally, together with interest thereon;

3 (c) awarding Plaintiff and the Class reasonable costs and expenses
4 incurred in this action, including counsel fees and expert fees; and

5 (d) awarding Plaintiff and other members of the Class such other and
6 further relief as the Court may deem just and proper.

7 **JURY TRIAL DEMANDED**

8 Plaintiff hereby demands a trial by jury.

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10 Dated: 2/5/2024

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