

# Bahri Dry Bulk

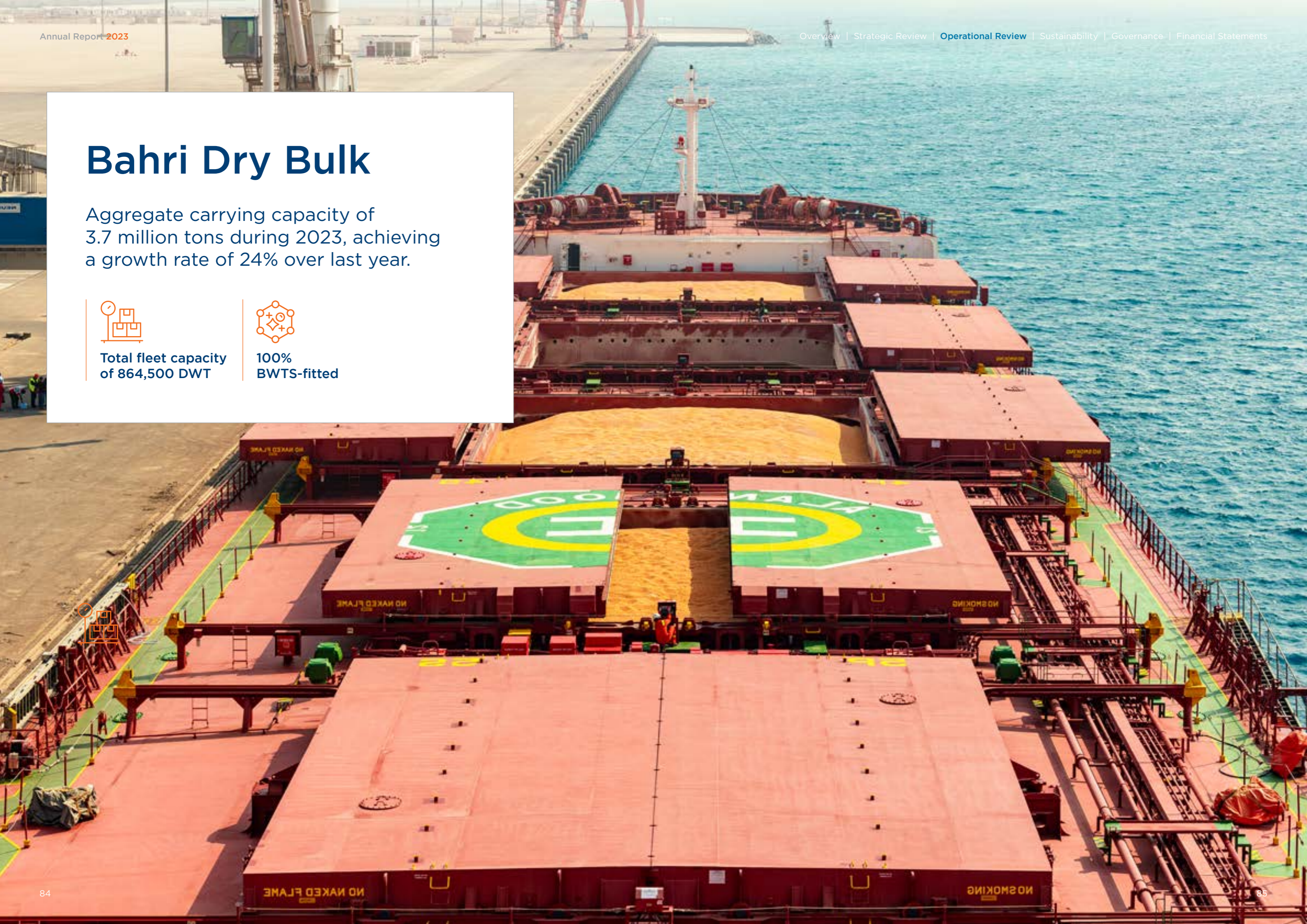
Aggregate carrying capacity of 3.7 million tons during 2023, achieving a growth rate of 24% over last year.



Total fleet capacity of 864,500 DWT



100% BWTS-fitted



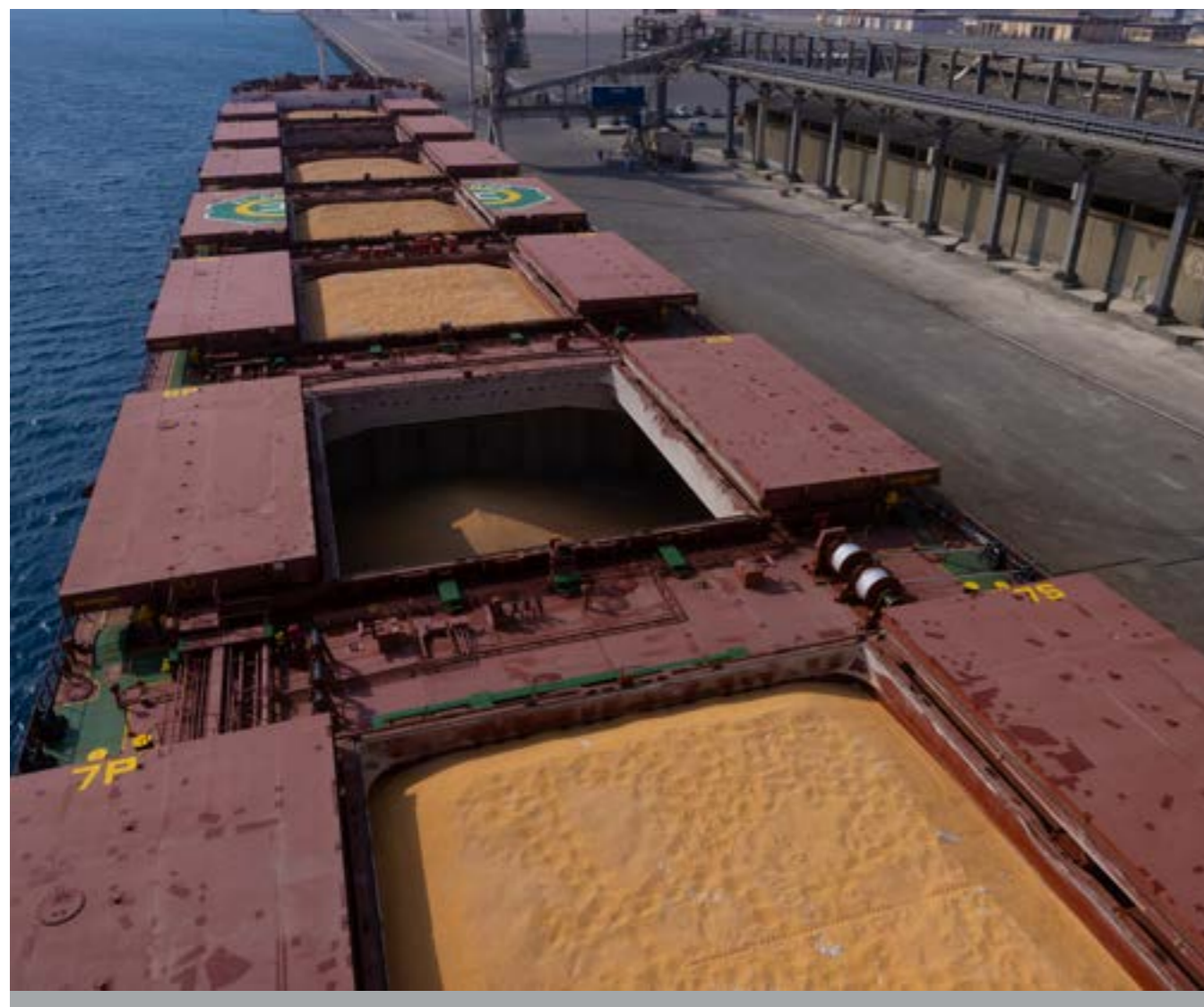
**Established in 2010 through a joint venture between Bahri and the Arabian Agricultural Services Company (ARASCO) as the Kingdom of Saudi Arabia's national carrier, Bahri Dry Bulk (BDB) is a fully integrated shipowner and operator in the regional and global transportation of dry bulk commodities.**

Headquartered in Riyadh with a regional office in Dubai, BDB has undertaken the commercial and operational management of transporting major and minor bulk cargoes, primarily grain, coal, and iron ore, along worldwide shipping routes to supply the world's food and energy needs.

We maintained strength in our cargo transportation operations, with an aggregate carrying capacity of 3.7 million tons during 2023, achieving a growth rate of 24% over last year. We are driven to become a leading dry bulk transporter and logistics provider regionally and globally, through innovation and by maintaining the highest industry standards.

**Developments in 2023**

As of year-end, BDB had a fleet strength of 11 vessels, 9 Kamsarmax and 2 Ultramax, built in world-class shipyards and bringing the total fleet capacity to 864,500 DWT.



**Saudi Flagged**

**100%**



**Fleet Capacity**

**864,500** DWT



**Improved Saudization Rate**

**62.5%** in 2023 compared to 0% in 2022



**Commercial Offices**

**Riyadh and Dubai**



**Distance sailed**

**~800,000** NM



**NPS**

**10/10** on responses received till date



**EGCS-fitted**

**54%**



**BWTS-fitted**

**100%**



**Transported Cargo**

**3,700,000** MT



**Port Calls**

**200+**



**Awards and Recognition**

**Bulk Shipping Company of The Year at the Maritime Standards Awards (TMS)**



**Trading Days**

**100%** Utilization



### Approach to Market Volatility

BDB's robust business model proved invaluable in overcoming the unprecedented challenges posed by volatile market conditions, resulting in satisfactory earnings for the full year. Our proactive fleet positioning practices were meticulously planned to align with forthcoming demands, optimizing operational efficiency. These endeavors not only mitigated the adverse effects of the challenging market landscape, but also strategically positioned the Company for potential market resurgence.

Our astute navigation through market volatility and supply chain disruptions has resulted in achieving exceptional TCE rates, surpassing the market index average by an impressive 35%.

In addition, we enhanced operations by minimizing idle time, cargo operations, and optimizing time during bunker operations. We also carefully evaluated both commercial and operational considerations to ensure maximum sourcing of bunkers from the Kingdom of Saudi Arabia.

BDB also possesses an extensive network of cargo owners that is diversified across various geographies and commodities. This network serves to mitigate our exposure to specific customers, geographies, or commodities, thus establishing a solid foundation for revenue generation and effectively reducing the impact of cyclical and counterparty risk.

Our business strategy is centered around bolstering our operational and financial position. We have adopted a multifaceted fleet strategy, underpinned by 3 key commercial and operational streams: short and long fixture positioning, expanding the cargo book by a combination of asset-light and owned tonnage, and maximizing tonnage ownerships.

In terms of commercial operations, BDB focused on the versatile dry bulk segment, particularly Ultramax vessels. This allowed us to leverage the operational flexibility, diversified cargo mix liftings, and port accessibility that this segment offers.

As a result, and with a total fleet utilization of 100% trading days, all of our vessels have traded globally and sailed more than 800,000 NM, carried 3.7 million tons of dry cargoes, and attended to more than 200 port calls.

### Expanding Our Client Base

Our collective efforts in upholding the resilience and effectiveness of supply chains in the Kingdom of Saudi Arabia are vital for safeguarding the nation's food security, economic stability, and social harmony. By working diligently to optimize these supply chains, we can establish a strong foundation for ensuring food security for current and future generations, thereby contributing to the overall prosperity and resilience of the Kingdom of Saudi Arabia.

To this end, the business performance and relationship with our partner and key client, ARASCO, has been thriving. We continue to cater to ARASCO's main load program, transporting grains from the East Coast of South America to the Kingdom of Saudi Arabia. In addition, we collaborated on their third-party logistics program, bolstering the Kingdom of Saudi Arabia's food security supply chains.

Moreover, in a remarkable display of national collaboration between Saudi Agricultural and Livestock Investment Co. (SALIC), Mansour Al-Mosaid Group (MMG), Agriculture Development Fund, and Bahri, BDB successfully managed to perform the voyage via its Saudi flagged fleet, such as MV SARA. We also managed to cater to GFSA's (previously SAGO) cargo requirement of grains transporting it to Yanbu. Moving forward, we will continue to prioritize diligence and strategic action to uphold the integrity and efficiency of food security supply chains in the Kingdom of Saudi Arabia.

### Strengthening Strategic Regional Cooperation

This year, we successfully concluded a CoA with Ma'aden on India shipments of about 600,000 tons and Brazil volumes of about 160,000 tons, exceeding the agreed quantities. Building upon this success, BDB has expanded its business operations for increased cargo volumes for both countries. This affirms a strong relationship between both leading Saudi companies.

In another achievement, 2023 marked the beginning of working with SABIC through the first ever CoA entailing the transportation of fertilizers from the Kingdom of Saudi Arabia to New Orleans, USA.

### Awards and Recognitions



BDB has been honored with the prestigious Bulk Shipping Company of The Year Award at the Maritime Standard Awards 2023, triumphing over tough competition. This coveted recognition was awarded following a comprehensive evaluation of various criteria, ranging from our dedication to fostering the dry bulk trade in the Middle East and ISC region, recent investments in vessels, equipment, facilities, and technology to innovative business strategies, environmental protection initiatives, diversification into new trades, financial performance, and CSR commitments.

### Fleet Acquisition and Investment

During the year, to uphold our mission and continue to pursue our expansion plans, we acquired 2 cutting-edge Ultramax vessels (Bahri Ghadah and Bahri Munira) that embody our commitment to environmental sustainability. With these additions, our total Deadweight Tonnage (DWT) now stands at an impressive 864,500 DWT.

These Eco and young Ultramax vessels boast state-of-the-art specifications, including Exhaust Gas Cleaning Systems (EGCS) and Ballast Water Treatment Management Systems (BWTS). By leveraging such advanced technologies, we can significantly reduce the emissions and minimize the carbon footprint. This aligns with our sustainability goals and enables us to comply with stringent environmental regulations.

As such, we have positioned ourselves to tap into niche markets and capitalize on emerging trade routes. The vessel's smaller size, combined with advanced gear capabilities, grants us access to ports and terminals that may be inaccessible to larger vessels. The diversity in our fleet not only widens our geographical reach, but also enhances our ability to cater to various cargo types.



Fleet Acquisition and Investment

# Welcome Aboard 'MV GHADAH' and 'MV MUNIRA'



DWT (MT) **62,625**  
Draft (m) **13.36**

Length (m) **199.98**  
Engine Output (kW) **7,220**

Built **2019**

Brean (m) **32.26**

Speed (knots) **14**



DWT (MT) **64,499**  
Draft (m) **13.54**

Length (m) **199.95**  
Engine Output (kW) **7,220**

Built **2020**

Brean (m) **32.26**

Speed (knots) **14**

**Financial Performance**

BDB witnessed a stable and consistent financial performance in 2023, despite market headwinds and challenges. While maintaining the careful fleet employment mix and industry best practices, the business unit recorded SAR 281 Mn. in revenue, and net income stood at SAR 51 Mn. for the year.

**New Services and Technology**

BDB is strategically focused on embracing digitalization and data analytics as fundamental pillars to drive our future growth and success. As part of our commitment to contributing to Bahri's digital transformation agenda, we have dedicated resources to investing in cutting-edge technologies that will enhance the operational efficiency of our fleet.

One of our key investments in this endeavor is SMARTShip®, a solution engineered to revolutionize our approach to ship monitoring, hull predictions, and engine room management. Through its deployment, we have empowered our fleet with advanced monitoring capabilities, enabling us to optimize vessel performance and operations.

Furthermore, we have developed and implemented more than 20 essential dashboards to provide comprehensive insights into various aspects of our operations and KPIs. Some of these dashboards exclusively focus on time-chartered performance reports, while others provide insights related to voyage efficiency. Both essentially monitor vessel speed, consumption, and performance to optimize operational capability.

Overall, our steadfast commitment to leveraging digitalization and data analytics as key enablers of our strategic initiatives have positioned us to adapt and thrive amidst the ever-evolving business landscape. We are continuously enhancing our operational performance, ensuring efficiency, profitability, and sustainable practices across our fleet and business divisions.

**HSEQ**

In our efforts to further champion a greener footprint, most of our fleet is equipped with the EGCS, and the remaining are burning compliant fuel. In addition, all our newly purchased acquisitions and vessel investments are scrubber fitted, as we consistently align with changes in maritime regulations.

In addition to our contribution to the SOx and NOx emissions, as per IMO Tier III and our commitment to ensure stability of marine life, we have attended to the mandates given by the IMO regarding the discharge of ballast water back to the sea. We are proud to have 100% of our vessels fitted with Ballast Water Treatment System. Moreover, a significant portion of our fleet have completed installing SMARTShip® on board, and we are live monitoring vessels' voyages and engine rooms' performance daily.

All our fleet have also migrated to a digital platform called ezORB, which records the oil transfer operations via bunkering of the ship. This will help reduce operator and clerical errors for more accurate record keeping. The vessels are also currently in the process of migrating fully to paperless and digital navigation, which will help reduce the logistics and transport-related carbon footprint.

Finally, BDB displayed an excellent Port State Control Inspection-Deficiency per the inspection rating during the year, surpassing Tokyo MoU and Paris MoU benchmark standards. This allows the fleet to transition seamlessly through every port.

BDB will continue to comply with environmental regulations, as we leverage our talent and resources to minimize any negative impact caused by our activities at sea. To do so, our environmental footprint is integrating a Carbon Intensity Index (CII) Rating Dashboard, a critical tool in our emissions management strategy. Through continuous monitoring of our emissions data, we can effectively maintain operational efficiencies and closely manage our carbon footprint.

### Our People

BDB's main priority is safeguarding the well-being and protection of our people on board the vessels. Our crew are our gems at sea and the pulse of our industry. We take serious measures and comprehensive safety approaches to ensure a seamless and comfortable experience during their journeys at sea.

During 2023, we continued our efforts to attract Saudi talent with the right skills and aptitudes, through our corporate-wide Graduate Development Program (GDP). We welcome the onboarding of talented new Saudis through the program, to introduce them to the various aspects of the business and operations. As a result, we are proud to contribute strongly towards improving the Saudization rate in BDB, with 62.5% achieved during 2023 over previous years.

### Looking Ahead

To strengthen Bahri's strategic position and performance, BDB will continue expanding and diversifying the fleet going forward. Moreover, we are creating our inhouse market intelligence dashboard and product seasonality trends and forecasting platform. We will seek to integrate the advantages of machine learning into the platform, enabling enhanced forecasting of demand and supply for particular products by correlating them in real time to key economic indicators and trends.

