

CFO's Review

Financial Results in Summary

Bahri achieved unprecedented success during 2023 and ended the year with a strong bottom line at 55% growth in net profits compared to the prior year. Despite global economic and political challenges, Bahri managed to strategize its long-term objectives by being proactive with regards to market uncertainties. Strong tailwinds in TCE rates throughout the year coupled with effective fleet deployment resulted in a positive year for the Company. Further, timely induction of 10 eco-friendly Chemical Tankers (IMO2 MRs) in the previous year allowed Bahri to capture the increase in global demand for energy efficient tankers. In addition, Bahri focused on the reduction of costs posed due to ageing fleet and uplifted the cash base by efficiently disposing of old fleet, resulting in a notable gain. During the year, Bahri divested 2 VLCCs, 3 MR Tankers and 4 Chemical Tankers with a gain of SAR 225 million. The Company also acquired 2 eco-friendly Ultramax bulk carriers.

Bahri Group's Financial Performance

Bahri Group recorded a year-end net profit of SAR 1,613 million in 2023 as compared to SAR 1,041 million in 2022. Bahri Oil recorded a profit before Zakat and tax of SAR 932 million, compared to SAR 772 million in 2022. The fluctuation in results was mainly due to an increase in the TCE rate, which jumped from an average of USD 35.3 thousand per day in 2022 to an average of USD 44.6 thousand per day in 2023.

Bahri Chemicals closed the year with a high profit before Zakat and tax of SAR 818 million compared to SAR 385 million in 2022, mainly due to the improvement of the TCE rate and the increase in the number of fleets. The average TCE rate increased significantly to USD 31.9 thousand per day in 2023 compared to USD 25.3 thousand per day in 2022. Further, gain on disposal of 4 Chemical Tankers, and the reimbursement of certain claims from the insurance company and supplier with respect to tanker coating resulted in an increase in profit for Bahri Chemicals.

The logistics segment yielded a net profit before Zakat and tax amounting to SAR 46 million in 2023, which is in line with the profits of 2022 amounting SAR 48 million.

Bahri Dry Bulk recorded a significant decrease in profit before Zakat and tax of SAR 59.2 million compared to SAR 122 million in 2022. The TCE rate decreased significantly to an average of USD 16.2 thousand per day in 2023 compared to USD 25.7 thousand per day in 2022.

In 2023, the share of results from equity-accounted investees was SAR 266 million in income (compared to SAR 60 million in 2022). These were a result of income from Petredec Group with SAR 406 million, which was offset by a loss of SAR 132 million from IMI and a loss of SAR 7.6 million from National Grain Company.

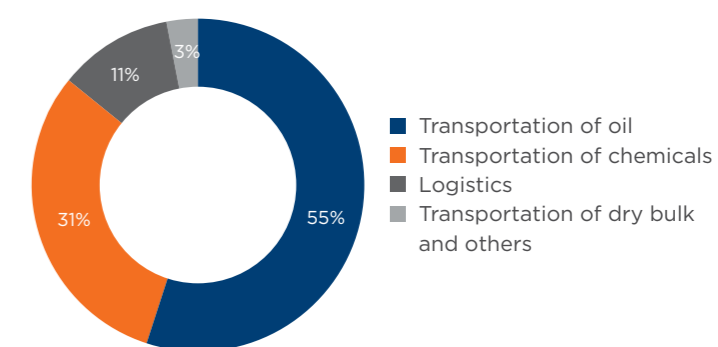


Operating Results:

(SAR '000)	2023	2022	Change amount	% Change
Revenue	8,777,500	8,582,580	194,920	2%
Operating costs after bunker subsidy	(6,704,374)	(7,111,447)	407,073	-6%
Gross profit	2,073,126	1,471,133	601,993	41%
Other income, net	340,323	186,874	153,449	82%
General and administration expenses and others	(243,739)	(174,860)	(66,315)	38%
Operating profit	2,169,710	1,483,147	686,563	46%

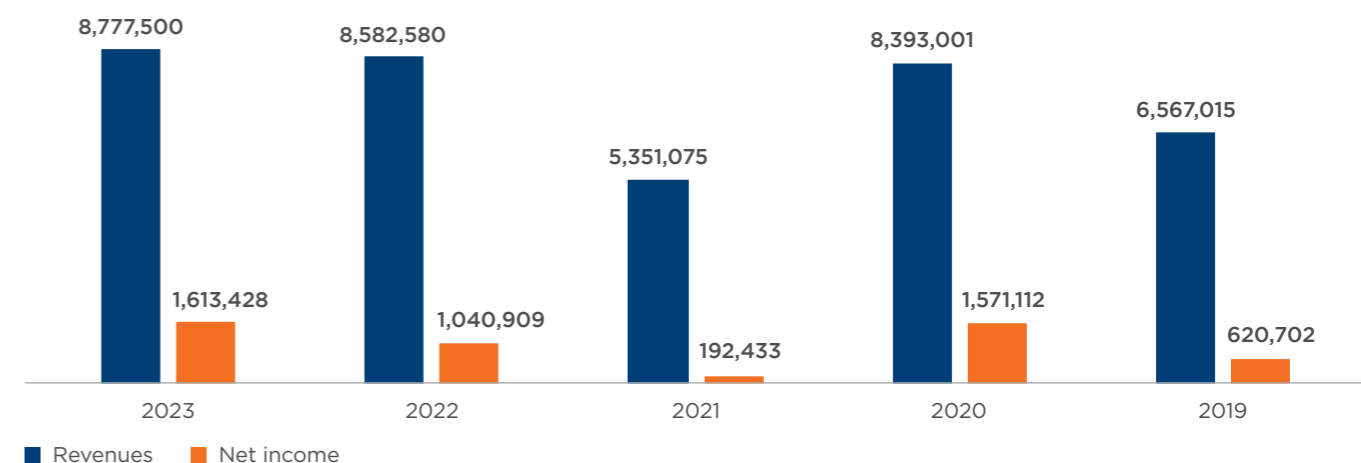
Impact of the Main Activities on the Company's Business Volume and its Contribution to its Results:

Activities	Activity's revenues (SAR '000)	Percentage %
Transportation of oil	4,795,823	55%
Transportation of chemicals	2,723,197	31%
Logistics	963,304	11%
Transportation of dry bulk and others	295,176	3%
Total	8,777,500	100%



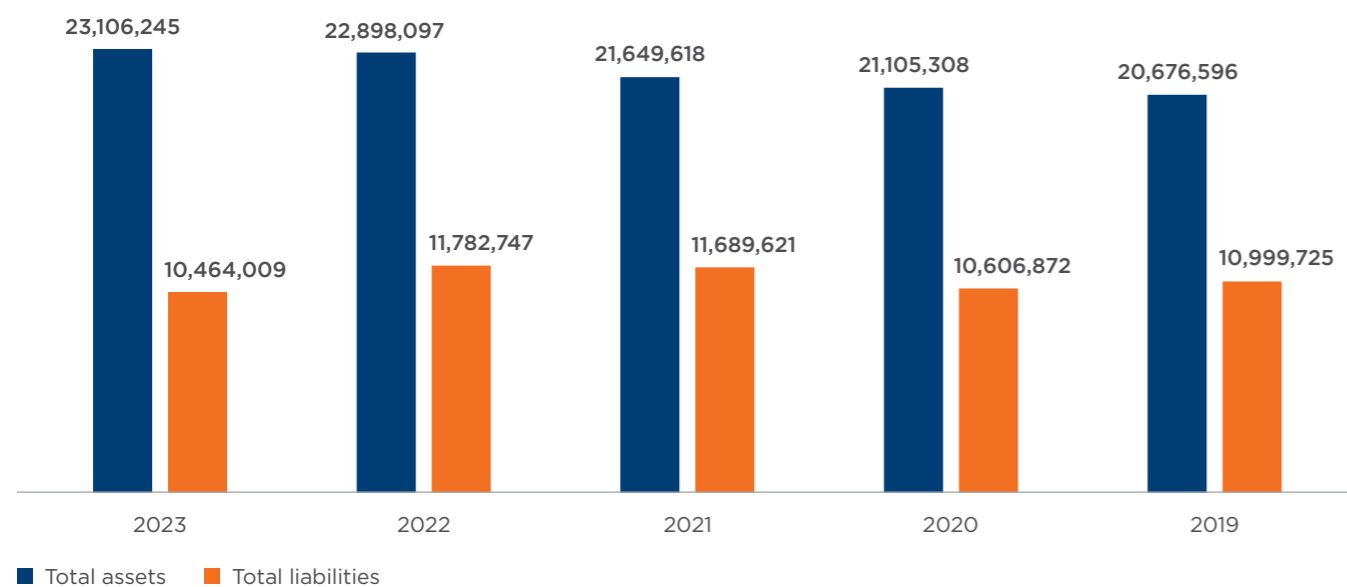
Business Results:

(SAR '000)	2023	2022	2021	2020	2019
Revenues	8,777,500	8,582,580	5,351,075	8,393,001	6,567,015
Operating costs after bunker subsidy	(6,704,374)	(7,111,447)	(4,794,580)	(6,271,131)	(5,140,018)
Gross profit	2,073,126	1,471,133	556,495	2,121,870	1,426,997
Net income	1,613,428	1,040,909	192,433	1,571,112	620,702



Assets and Liabilities:

(SAR '000)	2023	2022	2021	2020	2019
Current assets	5,296,858	5,568,533	3,891,740	3,907,212	3,737,763
Non-current assets	17,809,387	17,329,564	17,757,878	17,198,096	16,938,833
Total assets	23,106,245	22,898,097	21,649,618	21,105,308	20,676,596
Current liabilities	2,800,512	2,819,694	6,664,581	2,371,931	2,456,153
Non-current liabilities	7,663,497	8,963,053	5,025,040	8,234,941	8,543,572
Total liabilities	10,464,009	11,782,747	11,689,621	10,606,872	10,999,725



Loans: (SAR '000)

Company	Lender	Original loan amount	Loan duration	Payments during the year	Loans' remaining balance	Total indebtedness of the company and its subsidiaries
	Public Offering	3,900,000	7	-	3,900,000	
Bahri	International Banks, Local Banks & Public Investment Fund	7,067,100	10	1,802,512	2,008,505	
	International Banks & Local Banks	1,012.50*	-	-	-	
						7,702,362
Bahri Chemical	International Banks, Local Banks & Public Investment Fund	2,589,102	10	884,781	1,186,950	
	Local Banks	650,000*	-	-	-	
Bahri Dry Bulk	Local Banks	960,300	10	67,720	606,907	
	Local Banks	30,000*	-	-	-	

*Represents the total credit limits available for short-term loans & Medium-term loans.

