24 November, 2019

M/s **Boursa Kuwait**

Subject: Analyst/ Investor Conference for the Third Quarter of 2019

Reference to the above mentioned subject and pursuant to the requirements of Boursa Kuwait Rule Book issued as per Resolution No. (1) of 2018, we wish to inform you that the quarterly Analyst/ Investors Conference was held through a Live Webcast at 2:00 pm local time on Tuesday 19 November 2019.

Please refer to the attachment for the minutes of the conference and the Investor presentation (Q3-2019)

Best Regards,

Investor Relations Department

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Paid Capital: KD 176,293,055.800

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رأس المال المدفوع: 176,293,055.800 دينار كويتي

Agility Public Warehousing Company
Q3 2019 Analyst Webcast

Sunday, November 24th 2019

Kindly find enclosed minutes of Agility's analysts' webcast, which was held on Tuesday November 19th 2019 at 2.00 PM Kuwait time, to discuss Third quarter's earnings.

Attendees from Agility:
Ehab Aziz – Group CFO
Soriana Borjas – Investor Relations Senior Manager

From Arqaam Capital:
Sidharth Saboo

Transcript

Operator: Ladies and gentlemen, welcome to the Agility's 2019 third quarter earnings webcast. Today's host will be Sidharth Saboo from Arqaam Capital. Sir, please go ahead.

Sidharth Saboo: Good morning and good afternoon ladies and gentlemen, and thank you for joining us today. This is Sidharth Saboo, and on behalf of Arqaam Capital, I'm delighted to welcome you to Agility's third quarter 2019 earnings webcast. I have with me here today Mr. Ehab Aziz, Group Chief Financial Officer and Agility's Investor Relations team.
Without further delay, I will now turn over the call to Soriana Borjas, Agility's Investor Relations Senior Manager.

Soriana Borjas: Good afternoon, and welcome to Agility's third quarter 2019 analyst call.

For today's agenda Mr. Ehab Aziz, our group CFO, will walk you through the presentation, which you have available on your screen, to discuss the Group's operational and financial performance for the third quarter of 2019, after which we will open the floor for your questions.

If you would like to ask any question, please type it in the Q&A box on your screen any time during the presentation and we will address it during the Q&A session at the end of the call.

Before I hand over the mic to Ehab, I would like to draw your attention to the disclaimer available on page #2. As this presentation may contain forward looking statements, such statements are subject to risk and uncertainties as various factors, many of which are beyond our control, may cause actual developments and results to differ materially from expectations contained in the presentation. Please take a moment to read it.

Ehab over to you.

Ehab Aziz: Good day every one, and thank you for joining our earnings call for Q3 2019. As usual, we will start with the group's financial performance, and then we will move to the main highlights of our 6 main business units, and then after that we will open the floor for the Q&A. Starting with slide # 4 with some of the main highlights.

In the third quarter, we continued to report growth with most of our main entities delivering well on their respective plan despite a very challenging market condition. Our net profit excluding IFRS 16 has improved year over with a double digit growth of 12%.

We had another successful quarter for our infrastructure group of companies, which operate in different markets as you probably know such as logistics parks, ground handling, fuel logistics, facility management and digital customs services. The growth achieved this quarter is driven by the investments put in that division where some projects we invested in a year or two years ago started to give some returns.

For the logistics business, GIL, the trend we saw in the first 2 quarters of this year continued, in fact the decline in air and ocean volumes during the third quarter accelerated so it was not a positive quarter, in terms of volumes, for air and ocean however, that has been offset by higher yield and growth in contract logistics and project logistics.

Digital transformation remains our main focus within GIL to transform the business digitally and we continue to invest heavily in this initiative which is dragging our financial performance for the year in addition to the softer market. We will talk about GIL's performance drivers in the coming slides.

Going into the financial highlights, slide #5, note all the numbers on this slide are excluding the impact of IFRS 16. IFRS 16 has been an accounting anomaly this year hopefully next year the numbers will be reported on a like-for-like basis. We reported a 6% growth in net revenue and the reason we focus here on net revenue is because of GIL. GIL is the largest contributor to our revenue and net revenue, but revenue in GIL is not necessarily the best way to measure and track year over year performance, and accordingly we focus on net evenue here. EBITDA growth was 3% and a double digit net profit growth of 12.1%. Net debt has increased about 42% year over year, stood at KD 196 million which is still within our guidance. The free cash flow for the quarter was very strong and that is driven by improvement in working capital particularly in GIL. So that drove a positive free cash flow which as per our guidance should have been negative, and actually the year to date free cash flow is a negative figure excluding IFRS 16.

Moving to slide #6, you can see the highlights for the year to date. For year to date results I would say more or less a similar story, single digit net revenue growth. EBITDA growth was 6.4% and net income growing at a double digit rate of 11.3%. As you can see the free cash flow is negative KD 11.2 million which is driven by the investment program, and we have a slide that will show that.

Now moving to the next slide #7. The financial performance of the group in Q3 2019, in a bit more details than the previous slide.

Revenue grew to KD 400.7 million a 1.6% growth year over year. Similar to what we have witnessed in the past two quarters of 2019, this quarter revenue was affected by currency fluctuation. If we were to exclude this, it is a 2.9% growth instead of 1.6% growth on a reported basis.

Reported net revenue increased to KD 133.3 million a 6.5% growth. Reported net revenue margin stood at 33.3% higher than the same period last year. EBITDA grew 20.9% on a reported basis and if we exclude-IFRS 16 impact EBITDA growth was 2.8%. In terms of net profit on a reported basis, it increased only by 8.4% and as we communicated before, IFRS 16 had a negative impact on our net profit, it's almost KD 2 million for the year to date; if we exclude that as mentioned in the previous slide net profit growth would be 12.1% would stand at KD 22.4 million.

Now moving to Slide # 8, we have the 9 months earnings results for 2019. Agility's revenue grew by 2.2%. This growth in revenue was also translated into a 3.3% growth in our reported net revenue where NR grew from KD 374.1 million into KD 386.4 million.

Our EBITDA growth for the nine months increased by 24.9% to reach KD 142.4 million that again is including IFRS 16 impact. If we exclude IFRS 16 impact, EBITDA growth for the nine months was 6.4%. We show here the numbers before and after IFRS 16 impact on our financials. It is a busy slide but I think it is important to show the real performance on the different financial metrics.

Reported net profit for the nine months increased by 7.9% from KD 58.9 million to KD 63.6 million. You can see on the chart there was a negative impact of almost KD 2 million due to IFRS 16, if we adjusted that, then net profit growth is actually 11.3%.

Moving to the following slide where it shows the contribution by business group. Both businesses contributed positively to the group. You can see at the net revenue level, both groups contributed more or less the same to this growth, whereas on the EBITDA level, the growth-excluding IFRS16- is primarily coming from the Infrastructure business where most of our capex has been going and as a result earnings is growing faster than GIL, since GIL operates in a slower and softer market driving slower growth plus increase in operating cost to fund the digital transformation program that we have. So year over year EBITDA growth for GIL was almost flat while there was an 8.3% increase in Infrastructure group and that was driving the 6.4% growth in EBITDA for the group.

Moving to the next slide # 10

In terms of our balance sheet, we continue to enjoy a very strong and healthy balance sheet. Our total asset value stands at around KD 2 billion and over KD 1 billion in equity. IFRS 16 had an impact on our balance sheet and this will be presented in a separate slide at the end of the presentation.

Net debt has increased to around KD 196 million if we exclude IFRS 16 impact. Our net debt to EBITDA stands at 1.2X, again those numbers are excluding IFRS-16 for both net debt and EBITDA numbers which is in line with our guidance and we believe this will further increase as we are progressing with our investment program. Our expectation in terms of our net debt to EBITDA is between 2X to 2.5X in the normal course of business and that is excluding any impact of IFRS16.

Moving to slide 11, we generated healthy cash flows from operations, of around KD 98.1 million for the nine months or KD 77.0 million without impact of IFRS16 an increase of 77.3% on a reported basis and 39.1% excluding IFRS16.

In terms of capex as presented in the chart on the right hand side of the slide, you can see how much we have spent to date for every entity, most of our capex as you can see went for the infrastructure group given its CAPEX intensive nature. For this period 14% of the capex was for ALP, 13% for GIL and 25% for Tristar as part of their business growth within the shipping and turnkey contracts. "Others" include mainly capex spent by UPAC in REEM mall. Our CAPEX as a percentage of revenue stood at 7.5%, higher than last year and free cash flow stood at KD 9.9 million however this turns to negative KD 11 million without IFRS16 impact.

Moving to the business group segments in Slide # 13, starting with GIL's Q3 results, revenue declined by 2.4% over the same period last year, or 0.7% decline on a constant currency basis) due to challenges within the freight forwarding industry, particularly in air freight, where we witnessed lower volumes in both air and ocean freight. However, this has been compensated by higher yields but the higher yields in air freight were not enough to offset the decline. In ocean freight the increase in yields did offset the decline in volumes. We have a slide that will show that.

Net revenue, grew by 4.9% year-over-year on a reported basis and 5.3% adjusted for currency fluctuations and IFRS 16. Margins improved from 22.2% to 23.8% in this quarter. The net revenue increase was driven mainly by growth in Ocean freight, Project Logistics and Contract Logistics.

At the EBITDA level, we have a positive impact from IFRS16. GIL's EBITDA stood at KD 13.7 million at a reported basis; however, on constant currency basis and excluding the impact of IFRS 16, it would be a 2% decline due to higher operating expenses related to new facilities, as well as investments in digital transformation.

Same story for the nine months of 2019, higher net revenue with a growth of 5.5%, excluding the currency and IFRS16 impact. EBITDA, year to date came almost at the same level as 2019. So EBITDA is flat year over year and that is absorbing significant investments and operating costs related to the digital transformation program.

Product wise on slide # 14, as I mentioned, Air freight volumes declined 16%, due to ongoing trade war concerns and lower demand from customers across industries and geographies but that was offset to a certain extent by yield improvement of 15.5% resulting in a net revenue decline of 2.8% in air freight for the quarter. As you can see the year to date, net revenue only declined by 0.7% with a decline of 6.7% in volume and an improvement in yield of 6.5%, so definitely Q3 in terms of air freight was more challenging than the previous two quarters. Ocean freight also experienced lower volumes with a decline of 9% however the improvement in yields by 13.7% for the quarter has helped improve the net revenue by 3.2%. For ocean freight year to date results, net revenue improved by 5.3% which is a function of a decline in volume by 2.5% and an improvement in yield of 8%. So definitely there is a story here about declining volumes and improving yields for the year however, the quarter has witnessed more deterioration compared to the previous two quarters in air and ocean.

In contract logistics as you can see, posted a very positive year over year improvements in net revenue, up 9% for the quarter and 7.7% year to date. So definitely contract logistics is accelerating and it's the same story for other freight forwarding products which include project logistics, chemical logistics and fairs and events which have witnessed a growth of 7.9% for the quarter, much higher than the 1.8% for the year to date. We are seeing acceleration in these two products which is compensating overall to the air and ocean volume decline.

Moving to Infrastructure group on slide # 15.

Infrastructure had a solid performance across all key business units and posted 13.1% increase in revenue. Revenue for Infrastructure group is a more relevant metric to look at than GIL because again, GIL is a pass on so what matters is net revenue. Infrastructure EBITDA grew 7.5% for the quarter and if we exclude IFRS 16 impact then growth would be 3.8%. Year to date, revenue grew by 14.8% and EBITDA by 12.2% including IFRS 16 and 8.3% growth excluding IFRS 16 for EBITDA.

On the right hand side you can see the five main entities within the infrastructure group: Agility Logistics Parks (ALP) reported significant growth year over year, for the quarter as well as for the year to date. Tristar and UPAC share a similar story, NAS, which has suffered in the first two quarter in terms of revenue has recovered this quarter and you can see a growth of 8.5% for the quarter versus 4.6% for the nine months. GCS, Agility's customs modernization company, almost a 9% year over year growth for the quarter and year to date.

I will conclude with a big picture of the IFRS 16 impact on our financials for the first 9 months as per slide # 16. Hopefully next year we don't need to look at this. As you can see, there have been several implications on our numbers and we try to summarize that in one slide for the ease of reference, so you can see the impact on EBITDA, net profit, the operating cash flow and the financing cash flow. It gives you a better sense of the real or actual year over year performance excluding this accounting anomaly.

Now we will open the floor for your questions

Operator: Thank you. Ladies and Gentlemen, if you wish to ask a question, please submit it on the webcast platform. Thank you for holding.

Ayub Ansari (SICO Bank): Could you give some guidance on revenue growth prospects for 4Q19 and how do you see the outlook for 2020?

Ehab: I think it depends on the business but for GIL I think we would see low single digit net revenue growth for Q4 and probably that will carry on into 2020. For the Infrastructure group, I think we will see a blended growth of high single digit to continue for Q4 and then continue into 2020. So that would be my high level answer on guidance.

Ayub Ansari (SICO Bank): AGLTY's effective tax rate for 3Q19 was down sharply at 7.7% compared to 12% for 3Q18 – any reason for the decline in this effective tax rate?

Ehab: I think the best way to look at the effective tax is on an annualized basis and not on a quarterly basis because during the quarter there could be some adjustments or reversals. You have to keep in mind we have different tax jurisdictions in different countries and continents and therefore there are adjustments, reversals and actualization of taxes that takes place during the quarter. So I think a normalized year to date effective tax rate would be the best to look at it. There is nothing in particular that is driving it in the quarter that I can refer to.

Ayub Ansari (SICO Bank): Any change/delay in the targeted opening of the mall?

Ehab: I think we are still targeting the end of 2020 potentially Q1 2021. But that's broadly, given the size of the project, I would say on time. As you probably know that the retail environment is not necessarily positive. However, we can see some signs of stabilization and hopefully in the next few years we will see a pickup in the retail space. Reem Mall is positioned not just as a retail destination but it's an entertainment, retail and digital destination, and hopefully through that project we can offer something unique not just in Abu Dhabi but also in the whole region in terms of customer experience and retail experience. That said, it is a challenging project in a very challenging market environment but we are still confident that this project will be successful.

Ayub Ansari (SICO Bank): Total debt exposure of the group as per my earlier understanding was approx. KD 120mn - is there any update on this?

Ehab: We have funded about KD 87 million as a group collectively in that project. Again, nothing has changed from the previous communication. We still have cash commitments, funding commitments (as disclosed also in our financials) as well as some corporate guarantee to the lenders -limited guarantee to certain parameters, like the completion guarantee etc. Bottom line is that nothing as of today has changed in terms of our credit support to this project from what we have initially announced.

Abdullah AlShalan (Rasameel Investment): Seems likes you've cut costs in the G&A, are we witnessing the effect of higher efficiency from digitization, or have you always had this cost flexibility?

Ehab: We are still in the process of finalizing this initiative, particularly in GIL, and that is actually increasing our SG&A, not decreasing it. And that is expected to carry on next year as well. But hopefully, once that is done, we will start seeing some significant improvement in productivity in term of operations and also an elimination of this cost that is increasing to basically get the project to the finish line. You should expect SG&A to increase in the next year which is already dragging our performance in GIL for this year, but from 2021 onwards, hopefully we will start seeing some benefits of that in terms of cost efficiencies and productivity.

Abdullah AlShalan (Rasameel Investment): On the yield improvement in GIL, do you see these as sustainable or should we expect some reversion? Are the freight contracts with customers fixed?

Ehab: As I said when we showed the numbers, volume has declined, and yield has improved and that is basically the main driver for the yield improvement year over year. This is not sustainable (I am talking about GIL), it goes with market cycle, but as of this year, this has been the story, decline in volume in Air and Ocean and improvement in yield in both. Ocean has been better offsetting the decline in volume and as a result net revenue has increased for the quarter and for the year to date. In Air, that has not been the case and accordingly our net revenue year over year growth has been negative.

Samir Murad (NBK Capital) Please can you tell us if you have any land rent contracts that will be up for renewal in the next 2 years with the government in Kuwait and how much of the Kuwait warehousing capacity does it account for?

Ehab: In the financial statement you can find a note about legal disputes in this regard, so you can read that, and I don’t have any further information that I can add. I don’t think there are any other contracts that are due to expire in the next couple of years. What has expired has expired this year and last year and the next expiry is not happening in the next couple of years.

Ayub Ansari (SICO Bank): Just want to understand what do you mean by GIL yield - is it yield per gram or yield per product shipped?

Ehab: GIL yield is the price per unit. So, in Air, it’s the net revenue per ton and in Ocean, it’s the net revenue per TEU.

Ehab: I think with that I have answered all the questions posted on the Q&A session. Thank you.

Soriana: Thank you Ehab and thank all of you for joining us today. Before we end the call, we would like to remind you that this presentation is available on our website and we will post a transcript along with the presentation on the relevant stock exchanges. Thank you and see you in next quarter.

November 2019

Agility Earnings Call Presentation

Q3 2019 Results

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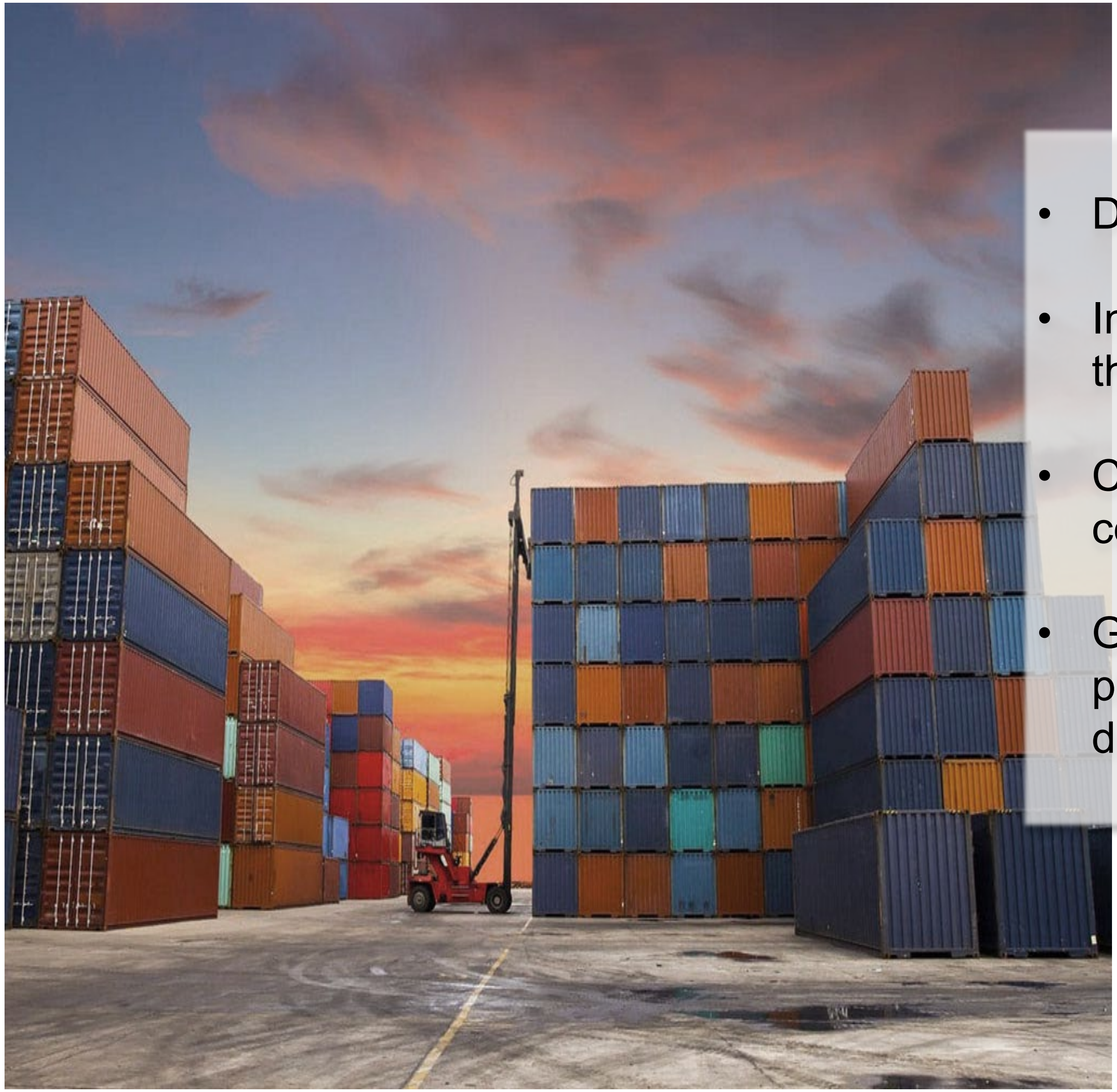
Agenda

1 Financial Highlights

2 Business Segments

3 Q & A

Q3 2019 highlights



- Double Digit Earnings growth (excluding IFRS 16)
- Infrastructure group drove the growth momentum in this quarter
- Challenging freight forwarding environment continued in Q3 2019
- GIL business moves forward with its digitization plans and continues to implement its strategy to drive operational efficiency

QTD- Sep 2019 Key Figures
(Excluding IFRS 16 Impact)

Agility

Net Revenue In Million KD	EBITDA In Million KD	Net Income In Million KD
132.6	40.4	22.4
+5.9%	+2.8%	+12.1%

Net Debt In Million KD	Free Cash Flow In Million KD
196.0	19.4
+41.6%	+562.4%

YTD- Sep 2019 Key Figures
(Excluding IFRS 16 Impact)

Net Revenue
In Million KD

383.9

+2.6%

EBITDA
In Million KD

121.4

+6.4%

Net Income
In Million KD

65.6

+11.3%

Net Debt
In Million KD

196.0

+41.6%

Free Cash Flow
In Million KD

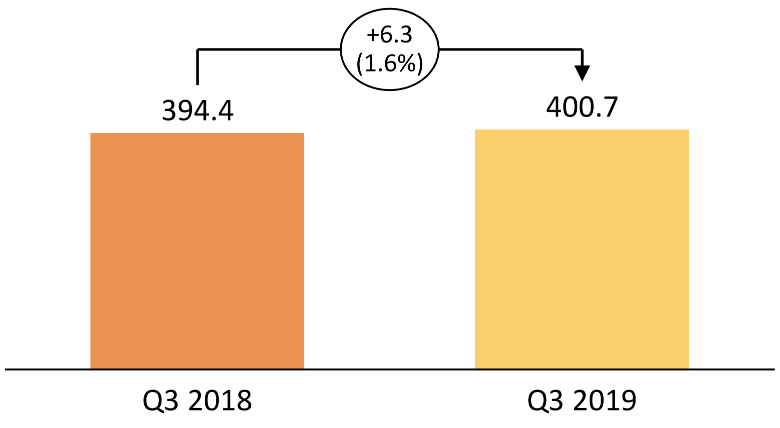
(11.2)

-285.3%

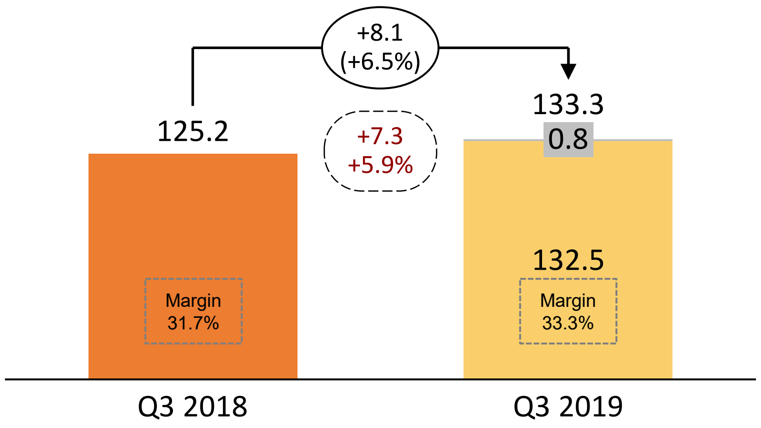
QTD-Sep 2019 Group Financial Performance
KD Mn

Excl. IFRS 16

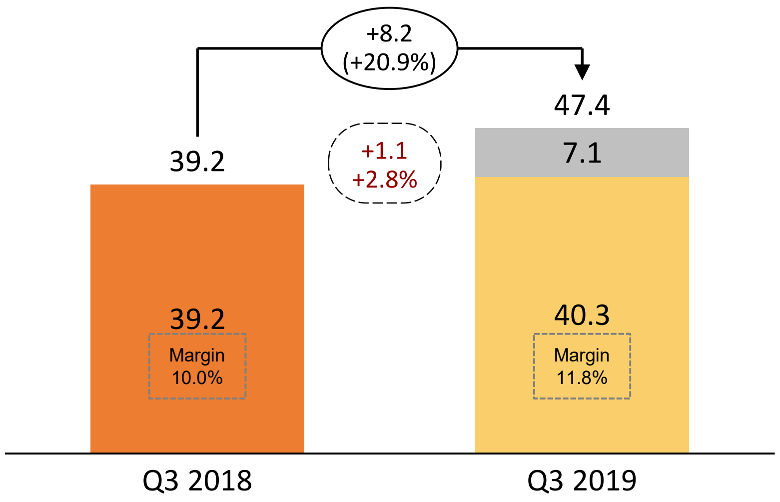
Revenue



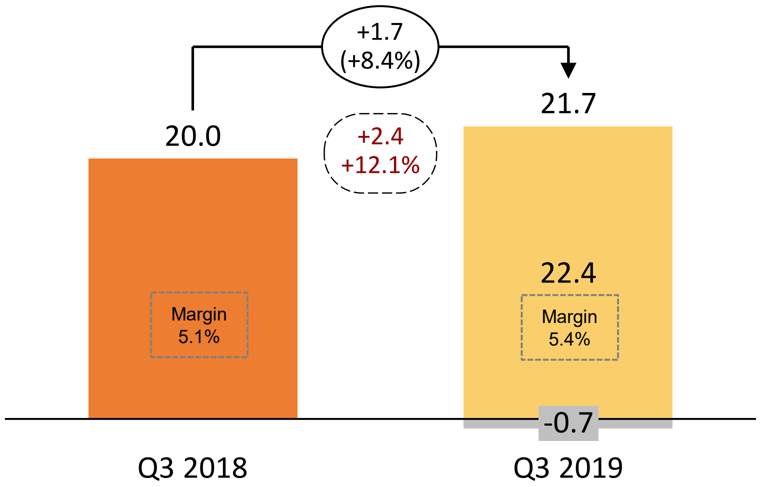
Net Revenue



EBITDA



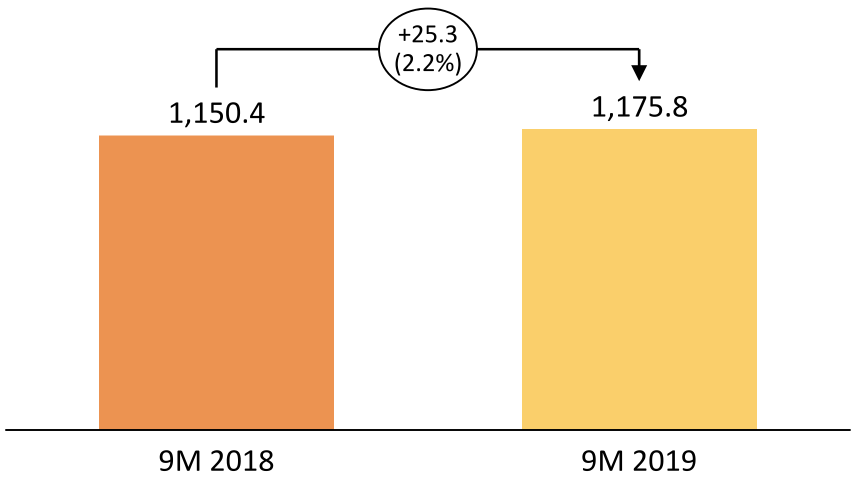
Net Profit



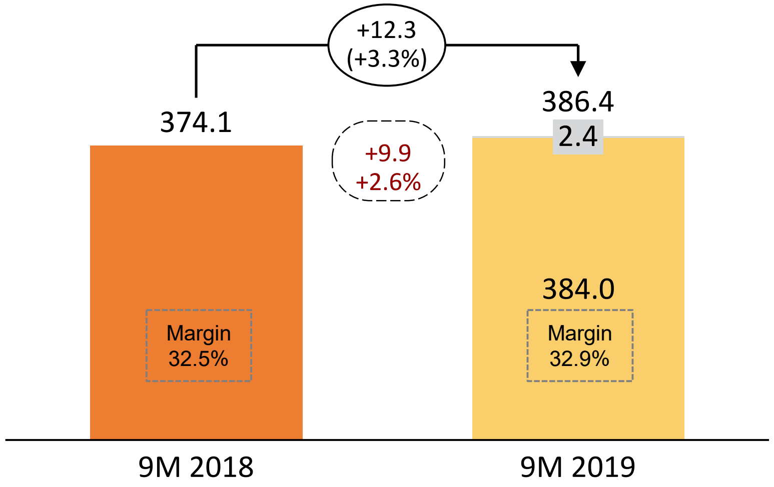
YTD- Sep 2019 Group Financial Performance
KD Mn

Excl. IFRS 16

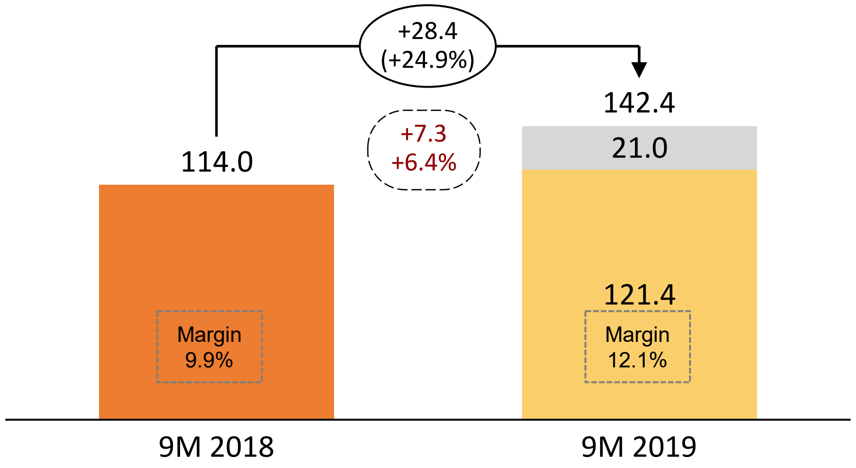
Revenue



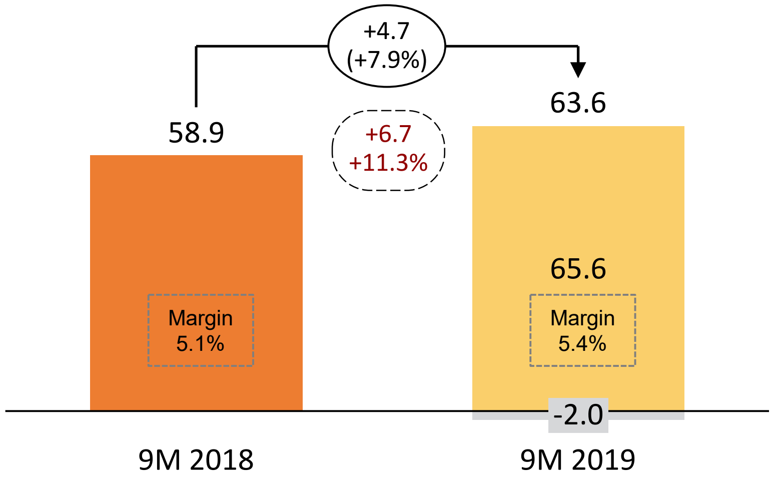
Net Revenue



EBITDA

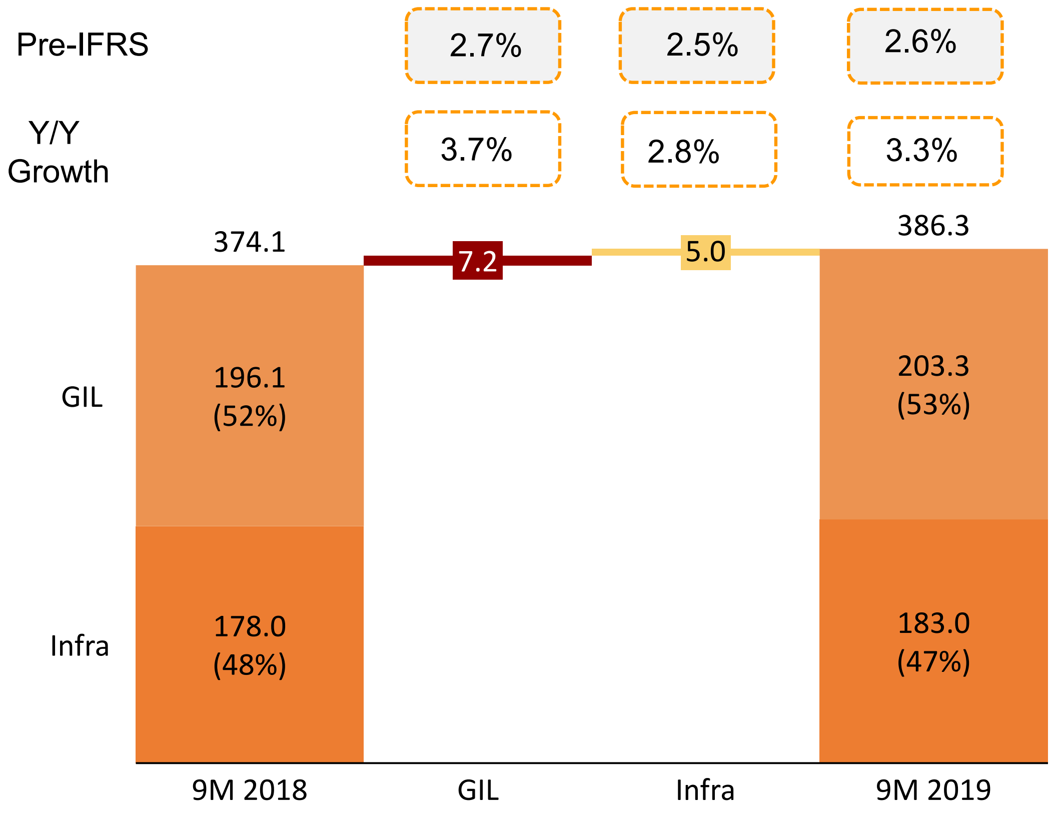


Net Profit

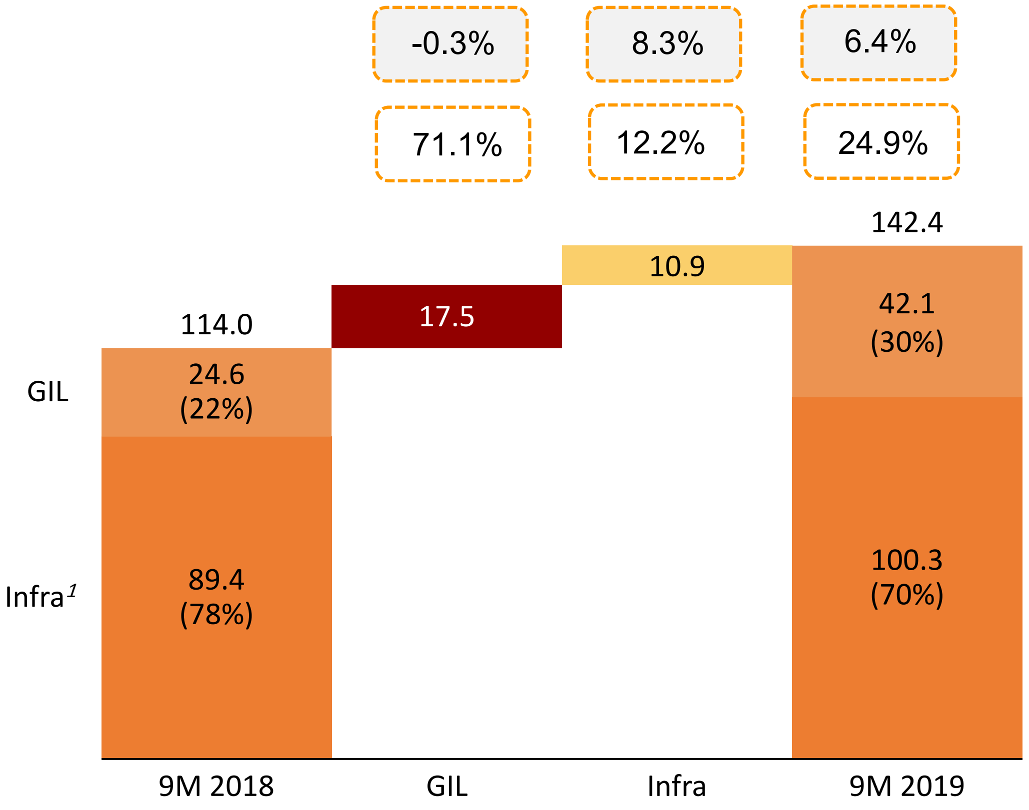


YTD- Sep 2019 Group Financial Performance
KD Mn

Net Revenue contribution by Business Group



EBITDA contribution by Business Group



[1] *Includes eliminations and adjustments*

Balance Sheet
KD Mn

Balance sheet	9M 2019	9M 2018	Variance v/s 2018	%
Current assets	579.6	580.5	-0.9	-0.2%
Non-Current assets	1416.4	1,225.5	190.9	15.6%
Total assets	**1,995.9**	**1,806.0**	189.9	10.5%
Current liabilities	505.5	612.3	-106.8	-17.5%
Non-current liabilities	387.3	148.9	283.3	160%
Total liabilities	**892.8**	**761.3**	131.5	17.3%
Shareholders' equity	**1,050. 1**	**995.8**	54.3	5.5%

Highlights

Net Debt (cash)[1]	196.0	138.4
ND / EBITDA[2]	1.2X	0.9X

[1] Excluding IFRS 16
[2] EBITDA TTM

- Consistently maintaining a strong asset base
- Controlled debt levels with the ability to leverage future growth
- Committed to our stakeholders

⇨Shareholders
⇨ Banks
⇨Internal Businesses

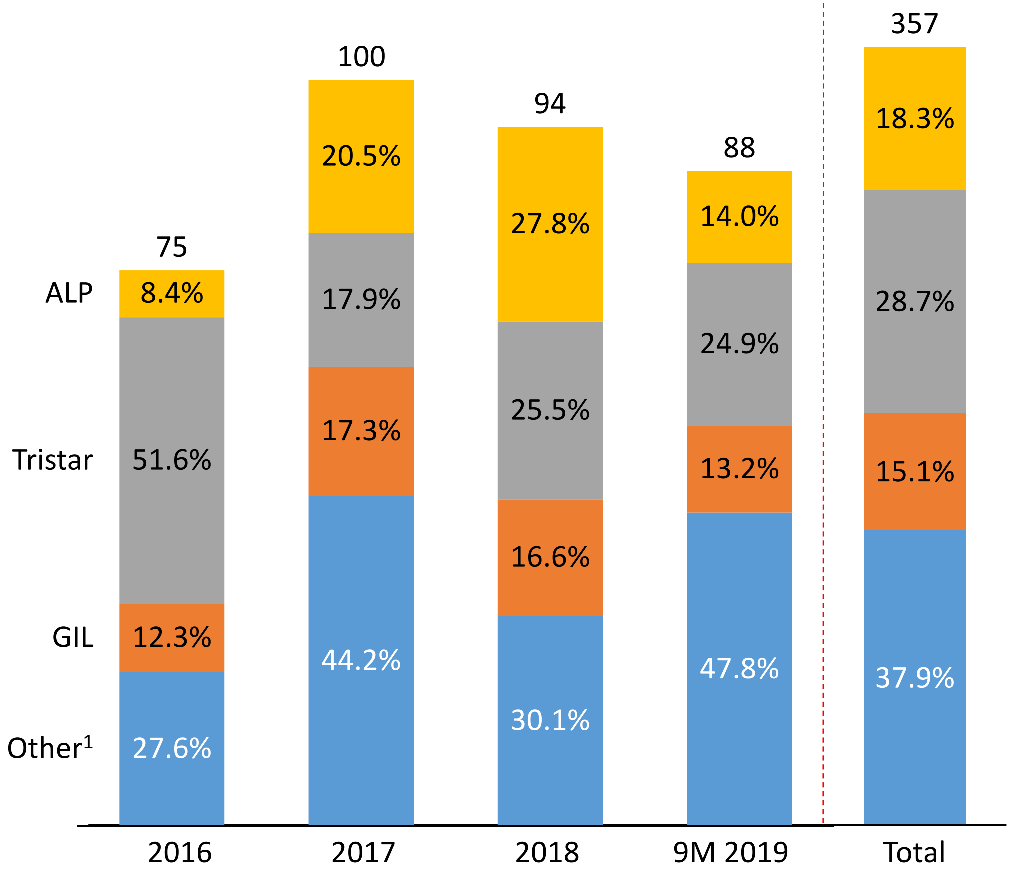
Statement of Cash Flows
KD Mn

Cash Flow Statement	9M 2019	9M 2018	Variance	%
Cash from Operating activities before changes in working capital	145.3	116.4	28.9	24.8%
Changes in working capital	-28.2	-44.2	16.0	36.3%
Other Items	-19.0	-16.8	-2.2	12.9%
Net Cash flow from operating activities	**98.1**	**55.3**	**42.7**	77.3%
CAPEX	-88.0	-56.7	-31.3	55.2%
Other items	-0.1	-1.5	1.4	-92.5%
Net Cash flow from investing activities	**-88.1**	**-58.2**	**-29.9**	51.4%
Free Cash Flow	**9.9**	**-2.9**	**12.8**	441.9%

Highlights

Conversion ratio (OCF/EBITDA)[1]	63.4%	48.5%
CAPEX as % of Revenue	7.5%	4.9%

[1] Excluding IFRS 16



[1] Others include mainly funding to Reem Mall

Agility

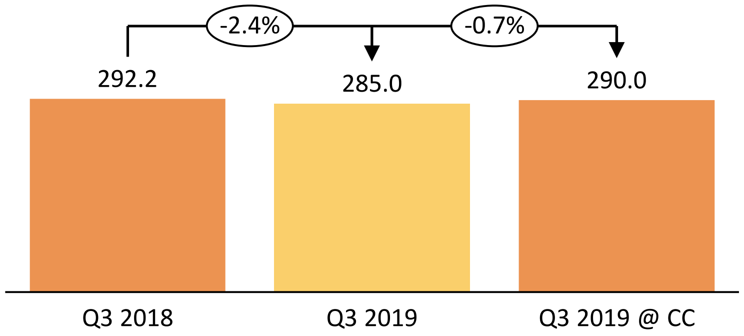
Business Segments

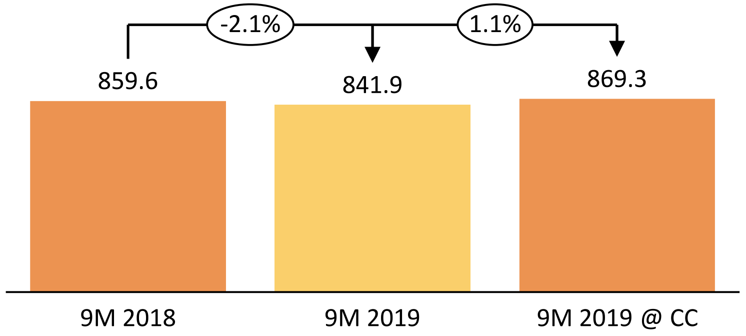
GIL Financial Performance
KD Mn

QTD Sep’19

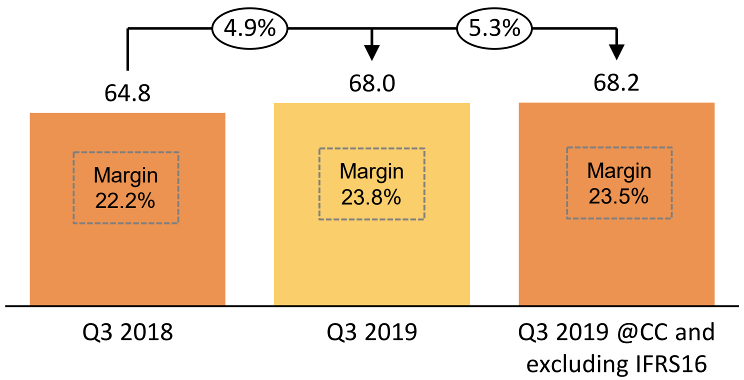
YTD Sep’19

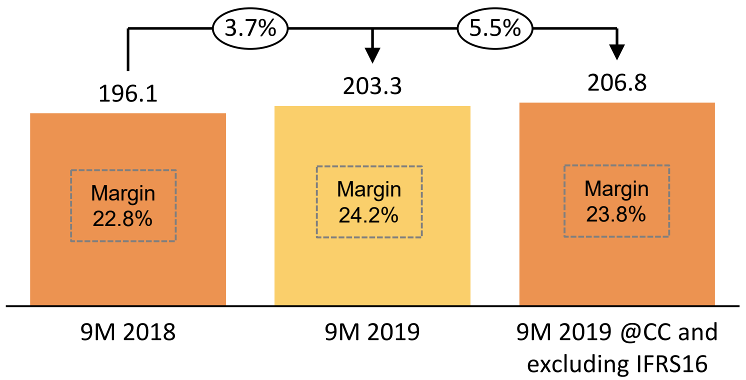
Revenue



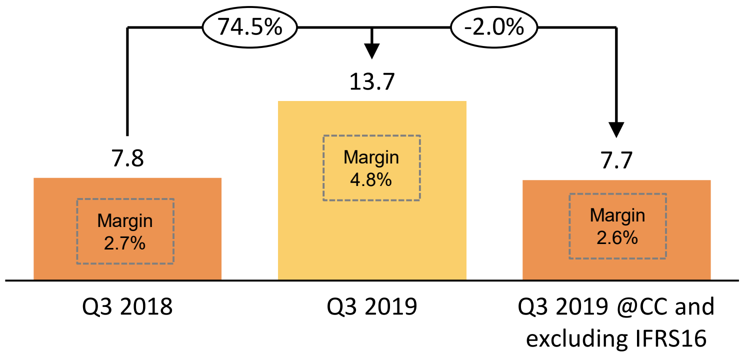


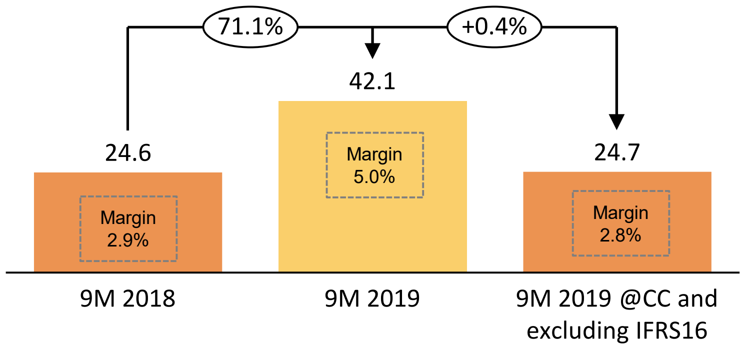
Net Revenue & margins





EBITDA & margins





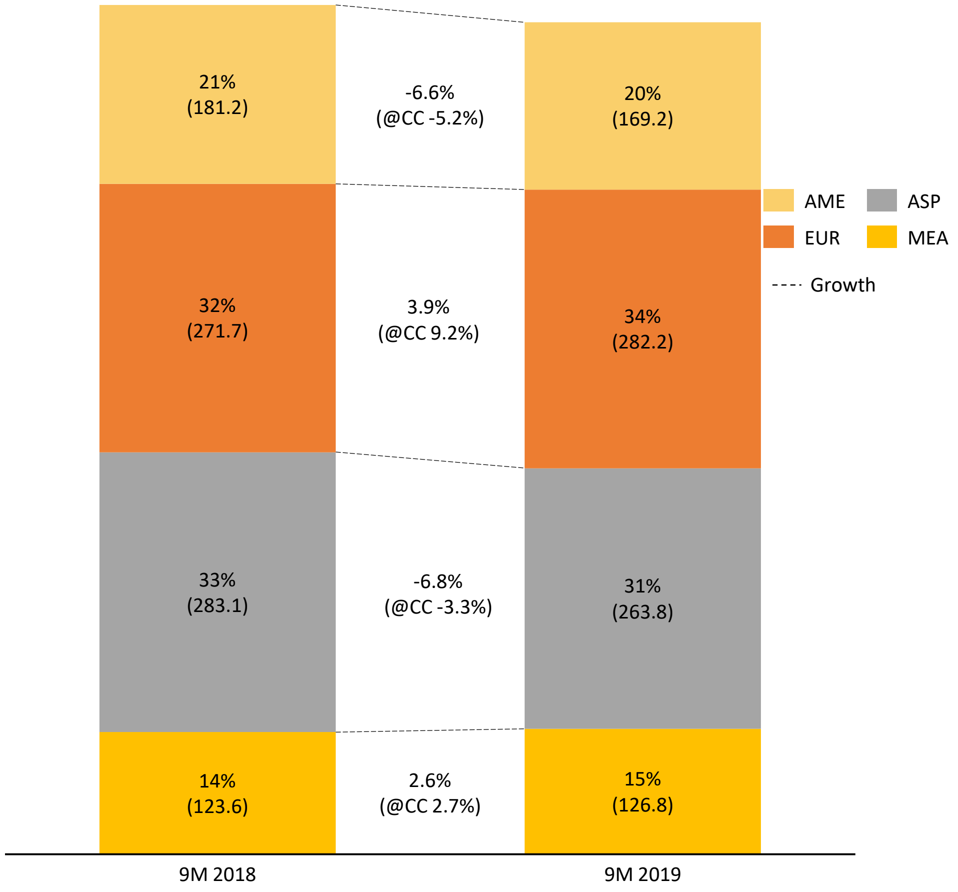
GIL Performance
KD Mn

Product Performance

Product	QTD Sep'19 Net Revenue	QTD Sep'19 Volume	QTD Sep'19 Yield	YTD Sep'19 Net Revenue	YTD Sep'19 Volume	YTD Sep'19 Yield
	-2.8%	-15.8%	15.5%	-0.7%	-6.7%	6.5%
	3.2%	-9.3%	13.7%	5.3%	-2.5%	8.0%

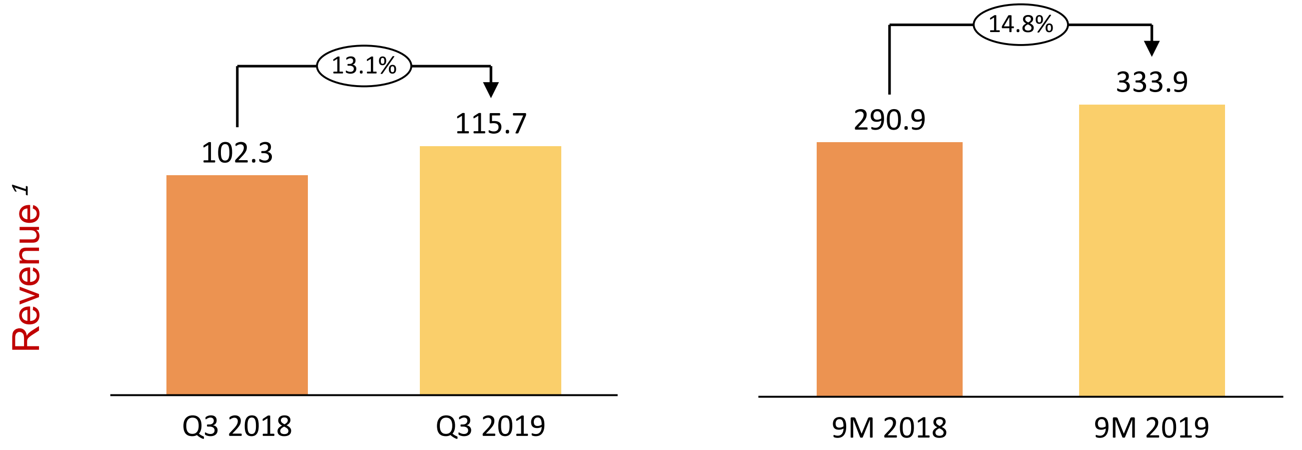
Product	QTD Sep'19 Net Revenue	YTD Sep'19 Net Revenue
Other Freight Forwarding	7.9%	1.8%
Contract Logistics	9.0%	7.7%

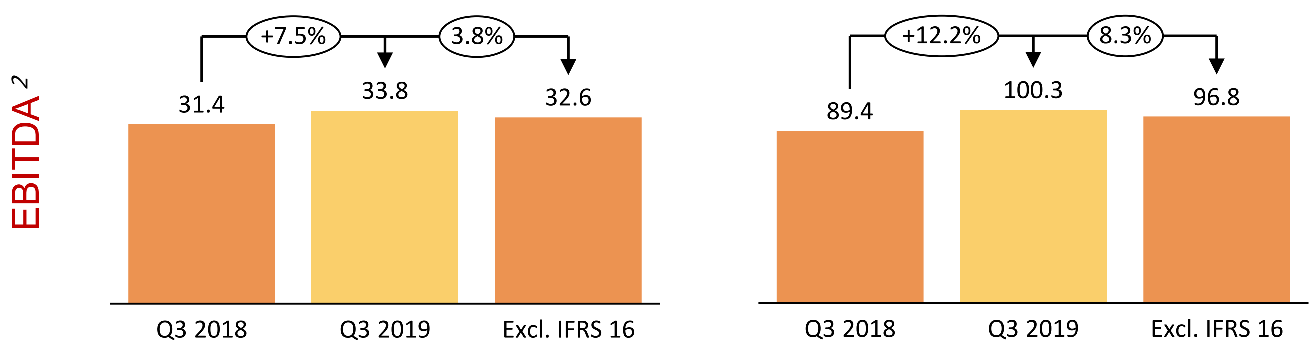
Regional Revenue Contribution (% & absolute)



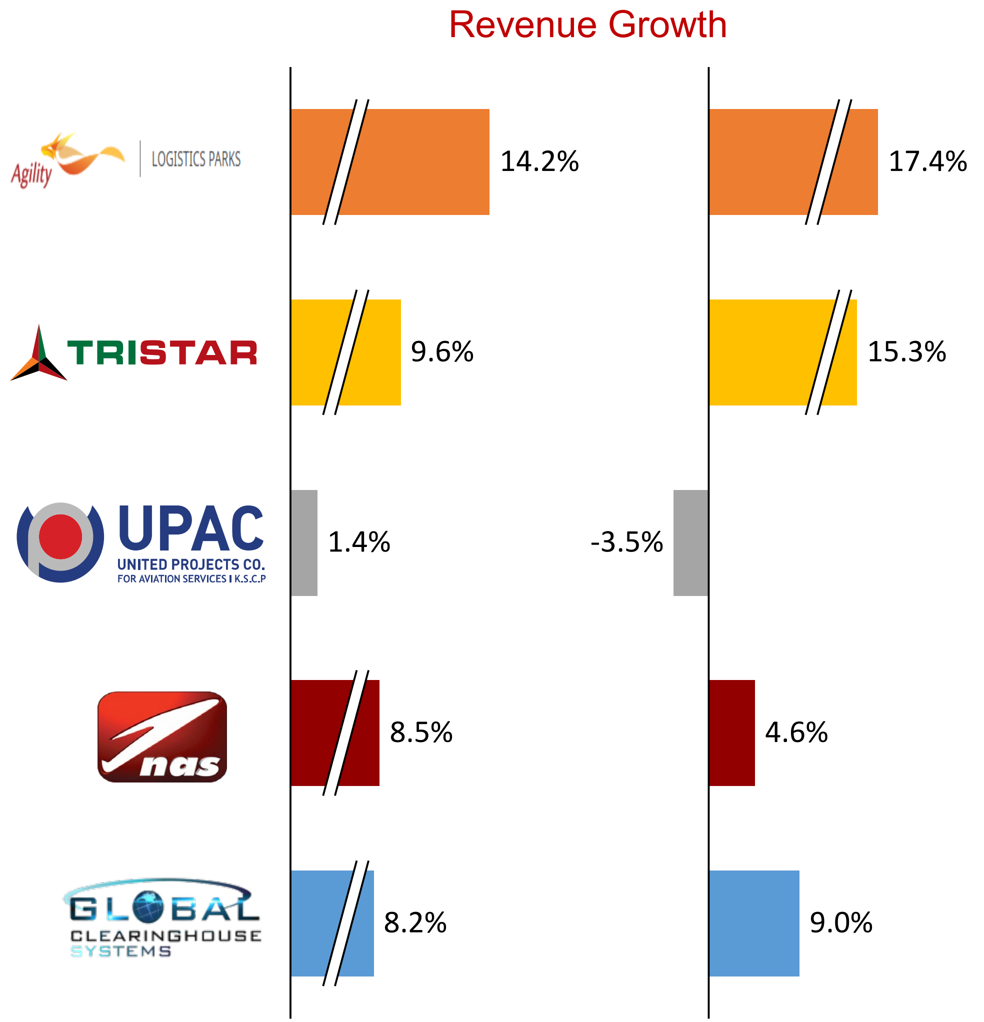
Infrastructure Group Financial Performance
KD Mn

QTD Sep'19 | YTD Sep'19





QTD Sep'19 | YTD Sep'19



[1] Includes Eliminations
[2] Includes Corporate and Adjustments

IFRS 16: Major impacts on YTD-Sep 2019 Numbers
KD Mn

P&L

Revenue	-	No change
COGS	- 2.4	Decreased as lease expenses are recognized as depreciation and interest costs
SGA	- 18.6	Decreased as lease expenses are recognized as depreciation and interest costs
EBITDA	+ 21.0	Increased due to lower lease expenses
D&A	+ 19.1	Increased due to capitalizing operating lease assets
EBIT	+ 2.0	Increased due to the above
Net Financing costs	+ 3.9	Increased due to interest on lease liabilities
Net Profit	- 1.9	Negative impact on NP

Balance sheet

Assets	+ 91.1	Capitalizing operating leases
Equity and Liabilities	+ 91.1	Corresponding operating lease liabilities

Net Cash Flows

		No Change
Operating Cash Flow	+21.1	Increased due to reclassification of operating leases
Financing Cash Flow	-21.1	Decreased due to reclassification of operating leases

Q&A Session