Board Report for the year 2020

Dear Shareholders,

We would like to welcome you to our annual meeting of the General assembly and present Agility's annual report, in which we discuss Agility's financial performance and operational achievements for the financial year ended December 31, 2020.

2020 was a challenging year for most businesses around the world, including Agility. Our company moved swiftly to adjust its cost structure to match the reality confronting each part of the business, while at the same time making sure to preserve our long-term strategic vision and ongoing support for our communities around the world.

We are proud of the steps we took to keep our front-line workers safe, and keep cargo moving for our customers in the face of one of the greatest supply chain disruptions the world has ever seen. We also stayed committed to ongoing pro-bono support for government, humanitarian, and education partners that are coping with the global pandemic.

Agility must remain agile, flexible and ready to adjust to ongoing global economic uncertainty in 2021. Our goal is not only to weather the storm, but to emerge stronger than ever from this crisis.

When it comes to future investments, Agility is prioritizing critical initiatives such as:

- Gearing up the company's Life Sciences capabilities for distribution of vaccines, therapeutics, medical equipment and related products.
- Making strategic bets on emerging technologies and companies that Agility believes will reshape supply chains, including Agility's online logistics, last-mile and e-commerce portfolio, through its Shipa group of companies.
- Boosting its sustainability and ESG initiatives and partnerships, including efforts to reduce fleet emissions, improve energy efficiency in logistics facilities, and work in partnership with customers.

Financially, Agility reported 2020 net profit of KD 41.6 million, or 21.73 fils per share, a decrease of 52.1% from 2019. Revenue for the year reached KD 1.6 billion, an increase of 2.7%, and EBITDA reached KD 162.4 million, a decrease of 15.9%. The 2020 results include one-time expenses related to restructuring that took place in response to the COVID-19 pandemic for KD 12.5 million and KD 28 million expense associated with the loss of Amghara land. Before accounting for those expenses, Agility would have reported a5.1% growth in EBITDA on a full-year basis.

Agility has a healthy balance sheet and is able to meet its liquidity requirements. Local, regional and international banks have recently extended the company $1.1 billion in 3 and 5 year credit facilities. In addition, the company's focus on working capital management across the board in the midst of tough market conditions has yielded positive results. Operating cash flow for the year was KD 177.8 million, a 17.3% increase over 2019.

Board of Directors Recommendation

Agility's Board of Directors has recommended a cash dividend distribution of 10% (10 fils per share), along with 10% bonus shares (10 shares for every 100 shares), subject to approval of the General Assembly.

Agility Global Integrated Logistics (GIL)

We have seen a significant improvement in GIL's performance for 2020. This was driven by favourable market conditions in Air Freight and Contract logistics, coupled with a strong focus on cash and cost. GIL grew overall in 2020, despite challenges in other areas within the business, like Ocean Freight, Fairs & Events, and Project logistics, and the net restructuring charges of KD 12.5 million resulting from cost-cutting initiatives we took during the year. We are optimistic about the future of that business and its ability to create value for our shareholders. Our optimism is reinforced by the strong performance we continue to see in the first couple of months of 2021, as net revenue and EBIT continue to grow.

GIL's full-year 2020 EBITDA was KD 66.6 million. Positive momentum for Air Freight and Contract Logistics was complemented by a strong focus on containing costs and driving operational efficiency throughout the organization. That led to full- year EBITDA growth of 13.6% vs. 2019. Excluding restructuring one-time expenses, EBITDA grew 35% vs. 2019.

GIL's 2020 full-year net revenue was KD 283.7 million, a 3.8% increase compared with 2019. Net revenue grew in Contract Logistics and Air Freight, while declined in Ocean Freight and Fairs & Events. Volumes declined in both Air Freight and Ocean Freight in 2020 by 15.6% in Air Freight (tonnage) and 12% in Ocean Freight (TEUs), as a result of COVID-19's impact on demand and economic contraction across industries and geographies. However, higher yields in Air Freight, driven by continued demand for exceptional shipments, including many for Life Sciences customers and products, offset the decline in volume. Air Freight net revenue grew 31.4% vs. prior year.

In 2020, Contract Logistics posted 12.2% net revenue growth, mainly as a result of strong performance in the Middle East (specifically, Kuwait, Saudi Arabia, Abu Dhabi) and Asia-Pacific (Australasia and Indonesia). Fairs & Events results remain the most affected by the pandemic because of widespread event postponements and cancelations.

GIL's 2020 gross revenue was KD 1,223.6 million, an 8.8% increase from 2019.

GIL continues to focus on cost containment and operational efficiency in line with its strategic objectives. GIL's is working to increasingly digitize and automate its processes to enhance customer and supplier connectivity, create innovative customer solutions, and enable comprehensive business insight to support optimal decision-making.

Agility's Infrastructure Companies

For full year 2020, Infrastructure group's EBITDA declined 24.4%, and revenue fell 12%. COVID-19 had an uneven impact on the Infrastructure companies. Entities operating in the aviation sector were significantly hit, whereas others were resilient and reported growth during the same period.

Agility Logistics Parks (ALP) reported 5.4% revenue growth for the year, driven by increased demand for warehousing capacity from customers mainly in Kuwait and Saudi Arabia. In Africa, Mozambique and Cote d'Ivoire, operations came online, joining the existing Ghana operation as part of Agility's Africa expansion strategy. Despite construction disruption due to COVID-19, ALP was able to deliver 62k sqm of new space in Saudi Arabia and 18k sqm in Africa. ALP kicked off construction of a 26k sqm facility in Kuwait on an expedited basis. ALP is looking for opportunities to expand its land bank in new and existing countries where it operates.

Tristar, a fully integrated liquid logistics company, posted an 11.9% revenue decrease for 2020, primarily due to lower international fuel prices, reduced commercial fuel volumes, lack of mobilization revenue realized in 2019, and the impact of the pandemic on road transport. Tristar's Maritime segment reported an increase in revenue from deployment of new vessels and favourable market charter rates.

Despite lower revenues, Tristar reported an EBITDA increase over 2019, reflecting higher earnings from the Maritime segment, where increases in vessel fleet and market charter rates offset lower earnings from the Fuel segment.

Tristar continues to advance its growth strategy. It took delivery of six vessels for long-term charter contracts with Shell. Tristar also introduced Cryogenic Gas transportation in Saudi Arabia. It is in the final phase of an airport fuel system in Uganda and continues to optimize Road Transport and Warehousing (RTW) contracts in the U.A.E. Today, Tristar has operations in 21 countries and territories across 3 continents, and over 2,000 road transport assets and 35 maritime vessels. It operates 69 fuel farms and over 100 remote fuel sites, providing a wide spectrum of integrated service offerings.

National Aviation Services (NAS) reported a 38.9% drop in revenue in 2020, despite a record January-February. The remainder of 2020 was defined by the COVID-19 pandemic, which forced a near-complete suspension of air passenger traffic for the bulk of the year. All of NAS's major airports experienced closure to international traffic for at least some part of the year. NAS's lounge business was hardest hit, followed by passenger services. Through the year, the industry witnessed a passenger traffic drop of 80% on average, while cargo volume dropped by an average of 15% - the largest- ever drop in air cargo.

Although patchy, NAS is witnessing a slow revival in air travel in its key markets. NAS remains optimistic that it is well positioned to take advantage of a recovery and to resume its strong growth once things start to normalize.

United Projects for Aviation Services Company (UPAC), reported a 2020 revenue decrease of 49.9%, primarily due to the suspension of operations at the Kuwait International Airport and the continuation of travel restrictions imposed as a result of the pandemic. The Kuwait operation is starting to show signs of recovery as UPAC continues to take various measures to reduce the negative impact on its business.

Construction of Reem Mall in Abu Dhabi was more than 75% complete as of December 2020. Located on Reem Island, the mall will include 2 million square feet of retail, leisure, dining, and entertainment choices. It will feature the region's first fully integrated omni-channel retail ecosystem with fully enabled digital, e-commerce and logistics capabilities. Reem Mall will be home to the world's largest snow play park, Snow Abu Dhabi. With a national vaccination program well underway in the UAE, the economy there is reopening. The resumption of consumer activity and movement, coupled with the unique positioning of the Reem Mall as an entertainment and digital destination, makes the company optimistic about the future performance of that investment, Sultan said.

GCS, Agility's customs modernization company, posted 22.9% decline in revenue in 2020. The decline was the result of COVID's negative impact on trade and goods flow.

GCS, like the other entities within the group, took measures to reduce the impact of the pandemic on its business. GCS is in the process of exploring different opportunities in customs modernization and diversification of its income sources.

Finally, Agility remains committed to driving shareholder value and achieving its vision. We will continue to remain true to our name, and be flexible and proactive as we navigate through COVID-19 and beyond. As always, we thank our employees, our customers, our shareholders, our suppliers and our partners for their support – this year more than ever.