

Thursday, 20th May 2021

Agility Earnings Call Presentation

Q1 2021 Results



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Agenda



- 1 DSV-GIL Transaction overview
- 2 Financial Highlights
- 3 Business Segments
- 4 Sustainability
- 5 Q&A

DSV-GIL Transaction Overview

Key terms of DSV acquisition of Global Integrated Logistics

Agility to remain a key supply chain player and becomes the second largest shareholder in DSV and hold a Board seat



Overview

- DSV will acquire Agility's Global Integrated Logistics ("GIL") business in exchange for 19.3M shares
- After completion of the transaction, DSV has agreed to nominate an Agility designee to DSV's Board of Directors
- Agility will be the 2nd largest shareholder in combined company, based on today's shareholder register

Transaction Terms

- GIL business valued for an Enterprise Value of ~ \$4.2 Bn (KWD1.3 Bn) and Equity Value of \$4.1 billion (KWD 1.2 Bn) at announcement

Reporting

- Expect GIL to be reported as part of Agility financials until Completion as per IFRS 5
- Post Completion the management intends to report the investment in DSV as a Financial asset at fair value through other comprehensive income i.e. Through Equity as per IFRS 9. This accounting treatment is subject to final Board approval.

Timing

- Completion of the transaction is expected towards the end of the third quarter of 2021

Other Agreements

- Services Agreement: DSV to provide Agility with certain services in connection with its SHIPA business
- Framework Agreement: DSV to (i) appoint Agility as the developer of choice for any development in MEA (excluding, South Africa), India; and (ii) provide Agility with the opportunity to be a strategic partner in any future real estate funds or investments

Agility has been clear that consolidation is a priority



And the timing is right to act now

Increased scale is needed in a competitive sector

- Wider industry consolidation has been occurring for years
- Economies of scale are critical in freight forwarding, with significant commercial and operation benefits
- The industry is getting more competitive, with growing customer expectations around better capabilities and reach

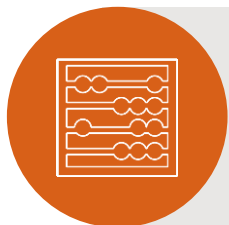
Agility has been open to consolidation for some years now

- GIL was built by acquisition; it's how the industry works
- GIL today is subscale; ranked 21st in the industry, in terms of Revenues in 2020
- Some past consolidation and merger attempts were made by GIL; but targets are scarce (with high valuation) and integration risks are material

Changing industry dynamics make this good timing

Industry even more attractive for M&A because of:

- COVID-19: supply chain disruption, logistics as an essential industry
- E-commerce: accelerated dramatically, with gains in the last year equivalent to gains in the last ten
- Digital: Technology is reshaping supply chains and underlying cost considerations of manufacturing



DSV shows significant financial robustness

- ✓ DSV has secured a high rating from both S&P (A-) and Moody's (A3)
- ✓ The recent EBIT performance is strong, and superior if compared to GIL's
- ✓ The firm shows resiliency through economic cycles, being solid and supported by reputable shareholders



DSV has a proven track-record of integration

- ✓ DSV has extensive experience of integrating acquired businesses and delivering synergies
- ✓ It has also shown significant improvements in terms of ability to grow organically



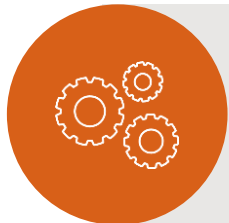
DSV and GIL have good complementarity

- ✓ The two firms combined will become a strong player in the market, taking advantage of significant synergies
- ✓ Good complementarity in terms of products and services offered, geographical focus, and customers served
- ✓ Similar corporate culture with focus on customer service, entrepreneurship and corporate responsibility



DSV is valuing GIL at a significant premium

- ✓ DSV offer is valuing GIL at an enterprise value of \$4.2 Bn as of announcement date
- ✓ This offer comes with a significant premium to GIL standalone valuation based on a range of methods including current trading level of peers, precedents and intrinsic valuation



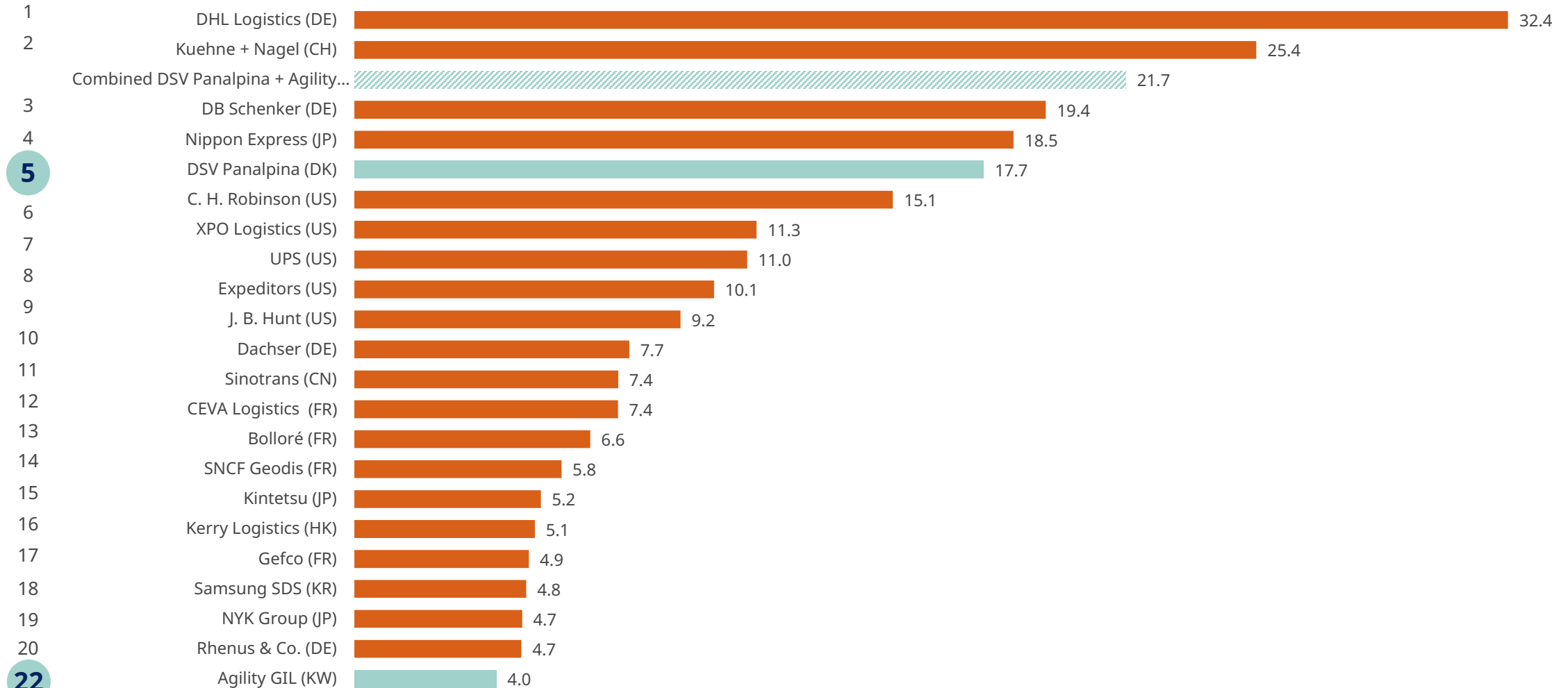
DSV and Agility will explore other forms of collaboration

- ✓ In addition to the offer for GIL, DSV has offered other forms of collaboration
- ✓ These would cover different areas, such as Real Estate, e-commerce, CSR platform and more
- ✓ Agility is not exiting the logistics industry, it remains a key player in Supply Chains Globally

The combined company creates a top-three industry leader



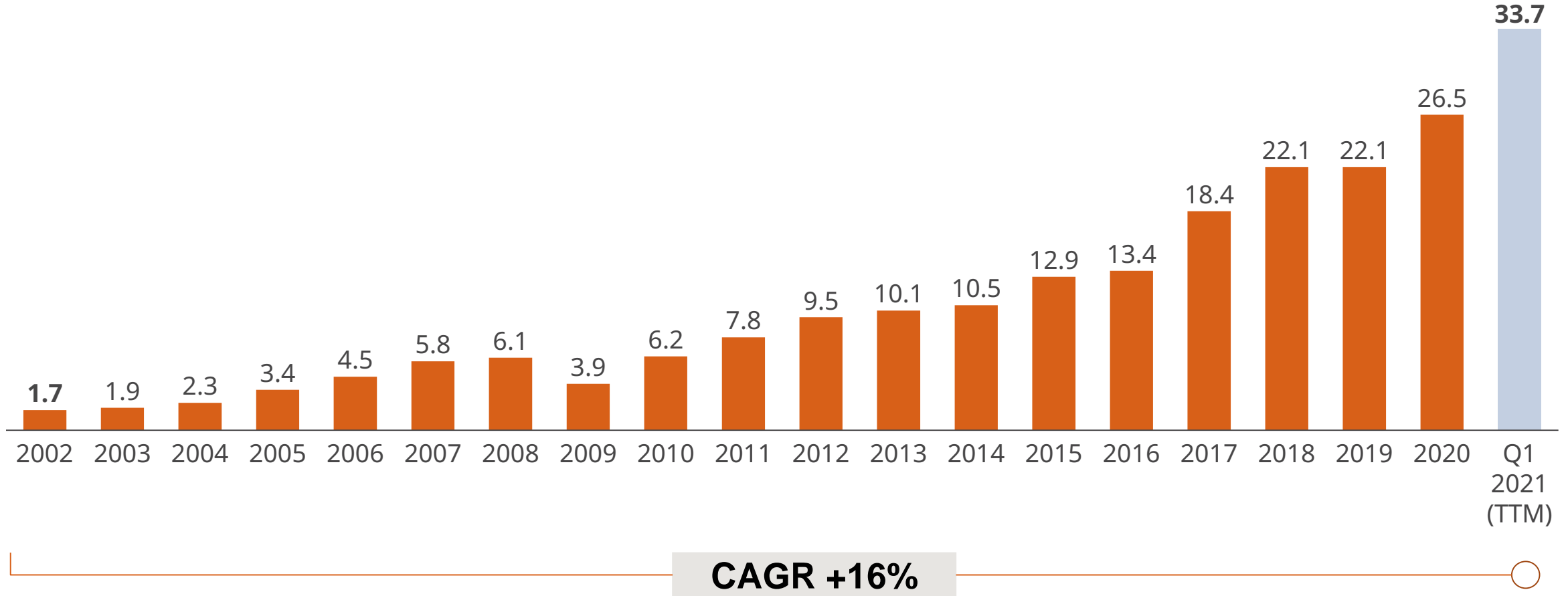
Third-party logistics providers by 2020 revenue in USD billion

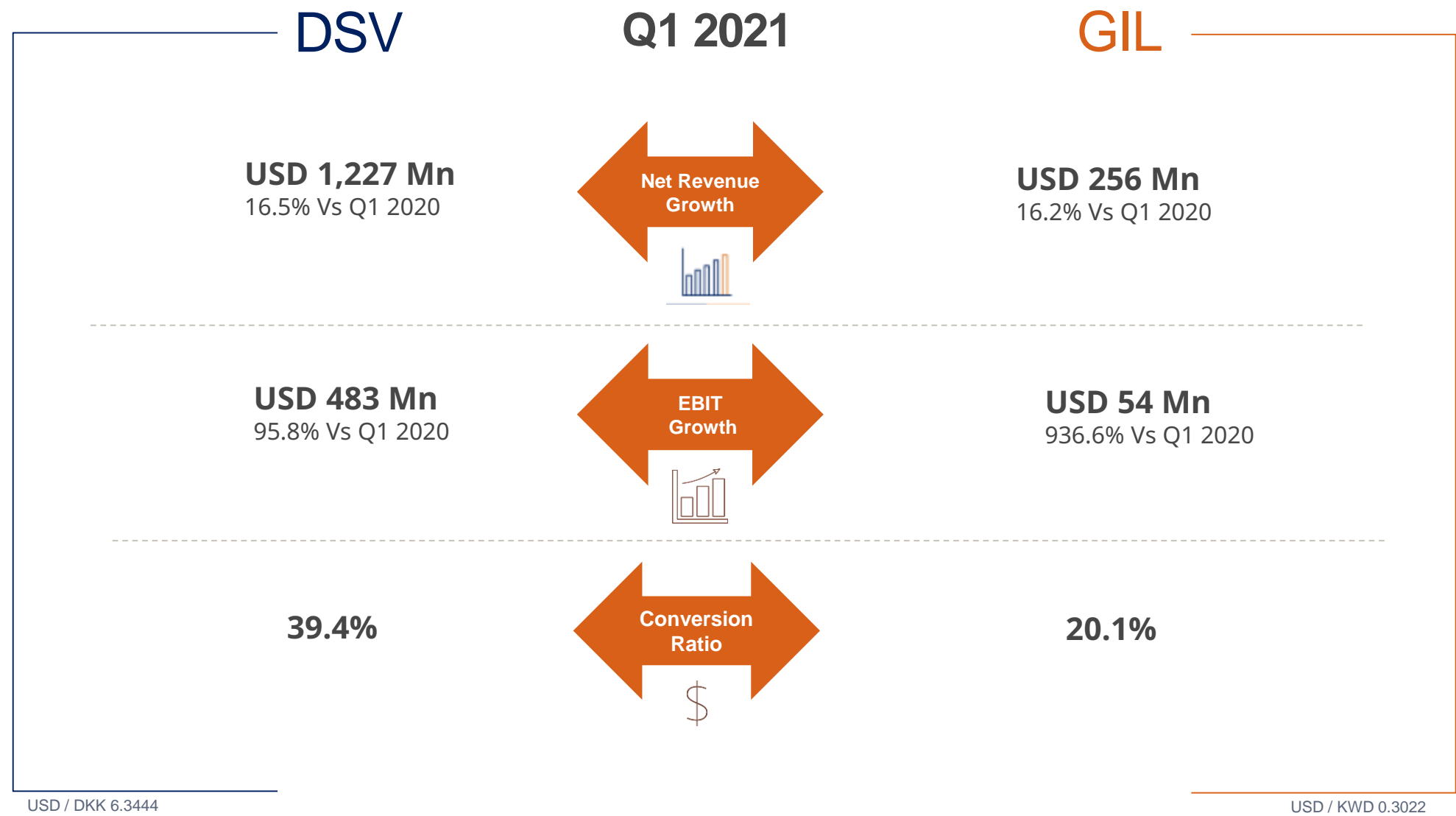


Source: Journal of Commerce, DSV estimates

DSV Panalpina Diluted Adjusted Earnings per share (DKK)

16% (20x) CAGR 2002 – 2020 , consistent long term performance





Note: DSV numbers based on Interim Financial Report Q1 2021
* DSV Air Freight volumes are still impacted by discontinued Panalpina activities

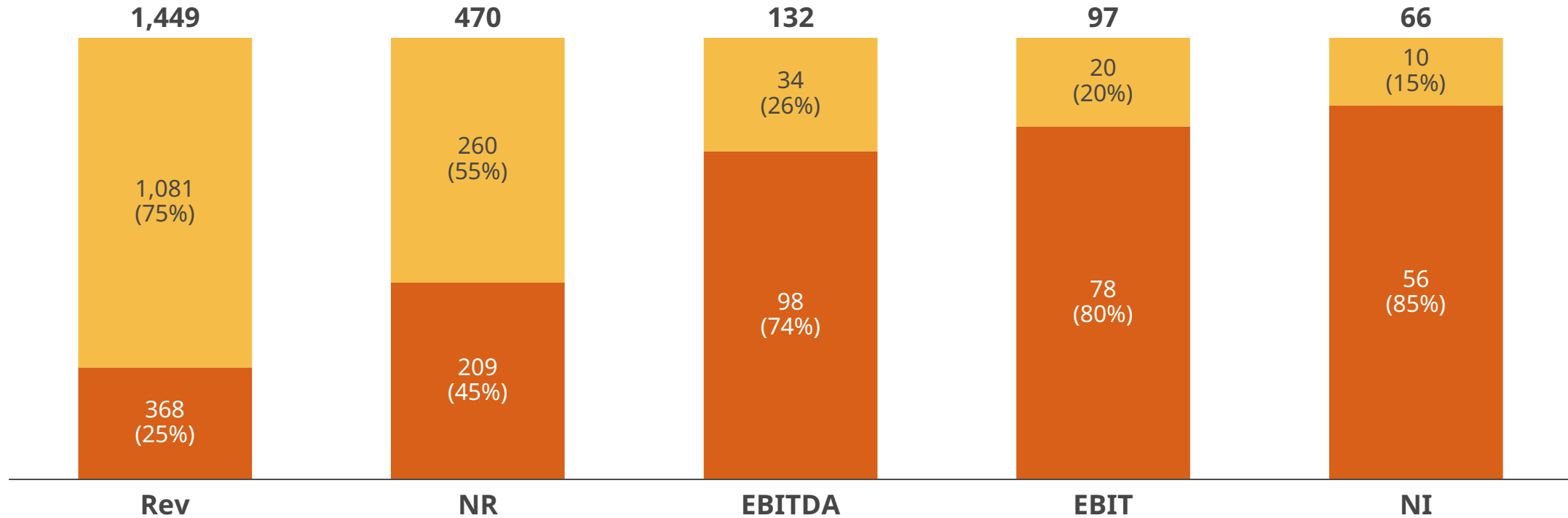
GIL Relative Size to Agility Total Group

GIL's Relative Size to the Agility Group

Average 6 years (2015-2020) in KWD MM



■ GIL
■ Non-GIL

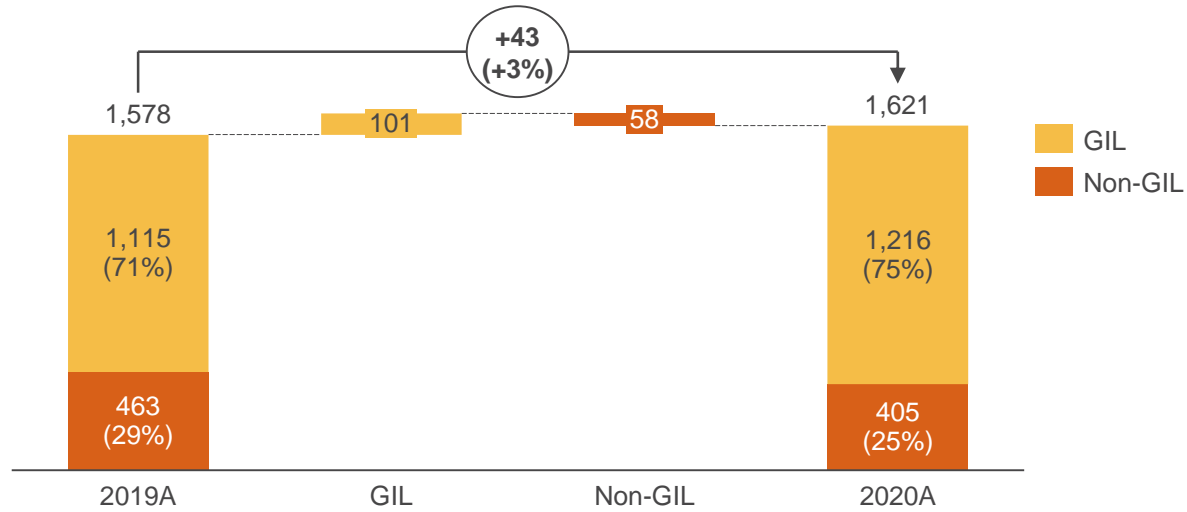


GIL's Relative Size to the Agility Group

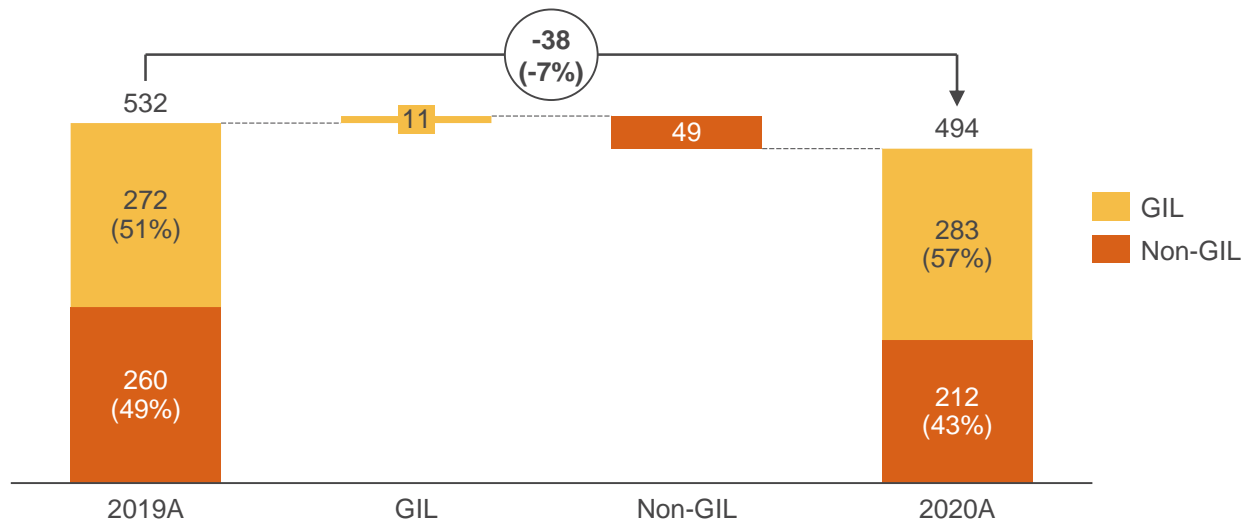
Profit and Loss Impact- KWD Mn



Revenues



Net Revenues



Highlights

Revenues

- GIL contributed ~ 70-75% of Agility's total revenues.
- The majority (~75%) of GIL revenues are Freight Forwarding related Revenues, which makes net revenues a better metric to assess the impact post closing
- Non GIL revenue post closing is estimated to be KD 400-450mln

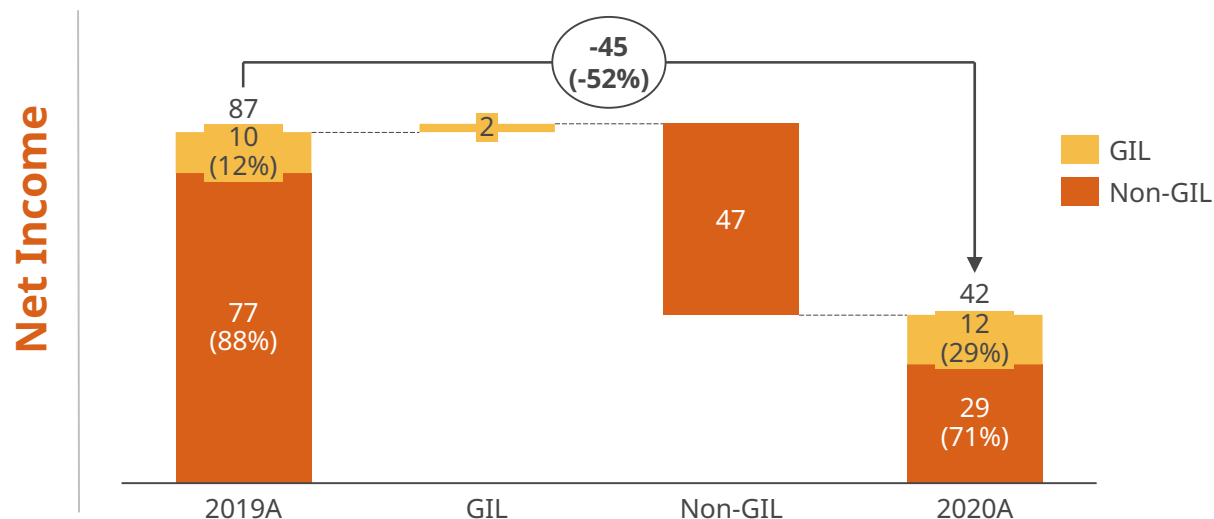
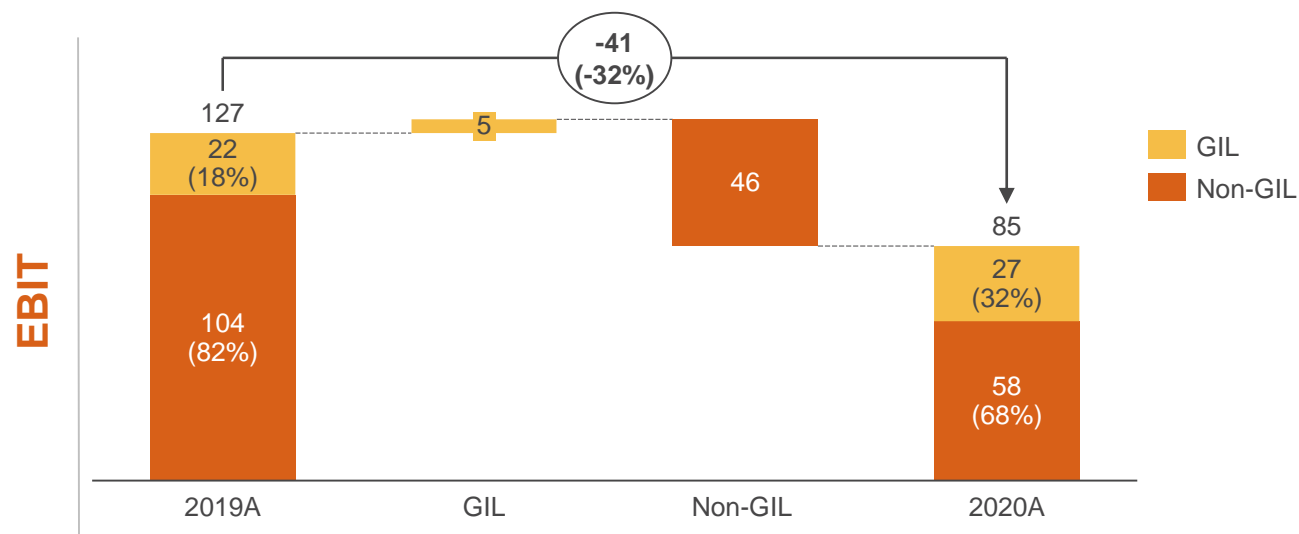
Net Revenues

- GIL contributed **51-57%** of Agility's total net revenues.
- GIL Weight has increase in 2020 due to COVID Impact
- It is expected that post closing NR margin will improve from ~30% to **more than 50%**

GIL's Relative Size to the Agility Group



Profit and Loss Impact- KWD Mn



Highlights

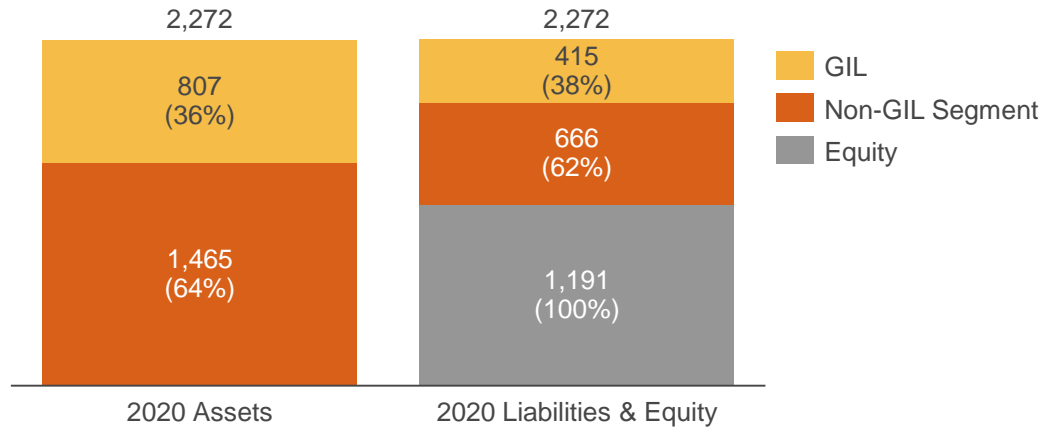
- COVID impacted the non-GIL segment disproportionately, while the impact on GIL was favourable
- Furthermore, GIL took significant cost measure at the beginning of COVID which helped GIL to outperform. However, GIL had to take a one-off restructuring cost of ~KD 13mln
- Non-GIL performance includes a KD 28mln one off impact of Amghara land
- These factors have lead to the increase in the weight of GIL relative contribution to the overall group's performance and contributed in 2020, **32% and 29% to EBIT and NP** of the group respectively compared to **18% and 12%** in 2019.
- It is expected that the non-GIL segment profitability will recover post COVID.

GIL's Relative Size to the Agility Group

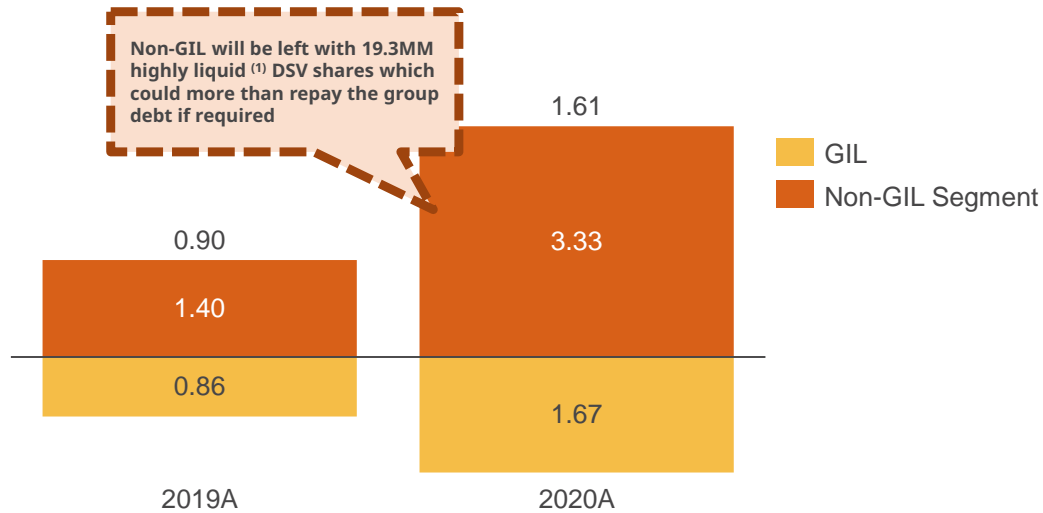


Balance Sheet Impact* - KWD Mn

Total Assets & Liabilities



Net Debt to EBITDA



Highlights

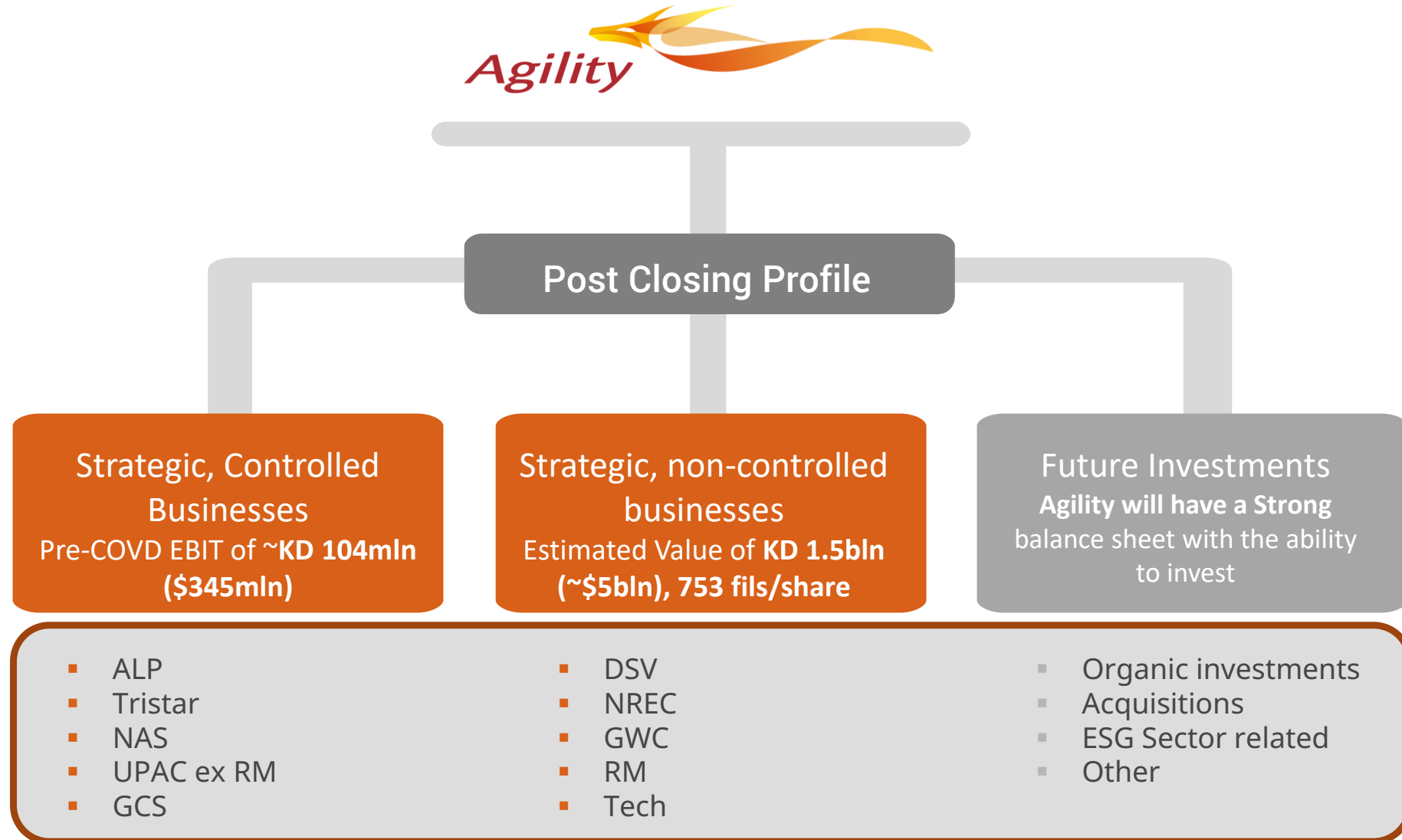
- GIL represents 36% and 38% of the total assets and total liabilities respectively in 2020.
- Net carrying value of GIL is ~**KD 390mIn** as of end of 2020
- Non-GIL segment had the lion's share of the capex /Investments spent over the last 5 years
- Non-GIL Net Debt to EBITDA stood at 3.3x in 2020 (2019: 1.4x) due to COVID impact on EBITDA as well as the increase in Capex funding
- Capex was mainly spent on Reem Mall, Ships in Tristar, Investments in Hyliion and other.
- Going forward, it is expected that the level of capex in non-GIL segment will be lower compared to the last 5 year avg. as some projects will be delivered.

Notes:

1. DSV has \$50.5 Bn of Market Capitalization and a L1M average volume traded of 0.43 MM as of 07-May-21

* All are adjusted for Operating Leases

Post Closing Agility's Profile



Post Closing Agility's Profile – Financial Snapshot

Well positioned for further growth



Strategic, Controlled Entities

	Absolute Value in KWD Mn					CAGR (%)	
	2016	2017	2018	2019	2020 *	2016-19	2016-20
Revenue	307	346	398	463	405	14.8%	7.2%
Net Revenue	184	218	234	260	212	12.2%	3.6%
EBIT	65	82	98	104	58	16.9%	-2.9%
EBIT Margin	21%	24%	25%	22%	14%		
EBIT Margin inc. GIL	7%	7%	8%	8%	5%		
Net Debt **					86		

* 2020 Revenue was impacted by the Covid-19 pandemic and 2020 EBIT included a one-time expense of KWD 28 M associated with the loss of Amghara Land.

** To calculate net debt of controlled entities total Net Debt in 2020 of KWD 253 M is adjusted for funds used to fund RM, NREC shares acquisition, and other investments

Note: These figures are based on unaudited estimates and are subject to change upon finalizing the closing process



Strategic, Non-Controlled Entities

	Total Value M KWD
Total Quoted Securities*	1,453
Total Unquoted Securities	154
TOTAL	1,607
Debt **	167
NET VALUE	1,441
Agility # of Shares Outstanding	1,913,539,451
Value per Share (KWD)	0.753

* Quoted Securities are valued as 18 May 2021 and include DSV, GWC, NREC, Hylion, Tortoise II, and Queen's Gambit shares.

** Figure includes funds used to fund RM, NREC stake, some Tech investments

Shareholders' Value Creation

Chairman's Message "Annual Report 1997"



"Of particular importance is the realization that our company's future growth prospects will be limited if we continue to restrict our activities to the management of low value-added real estate properties"



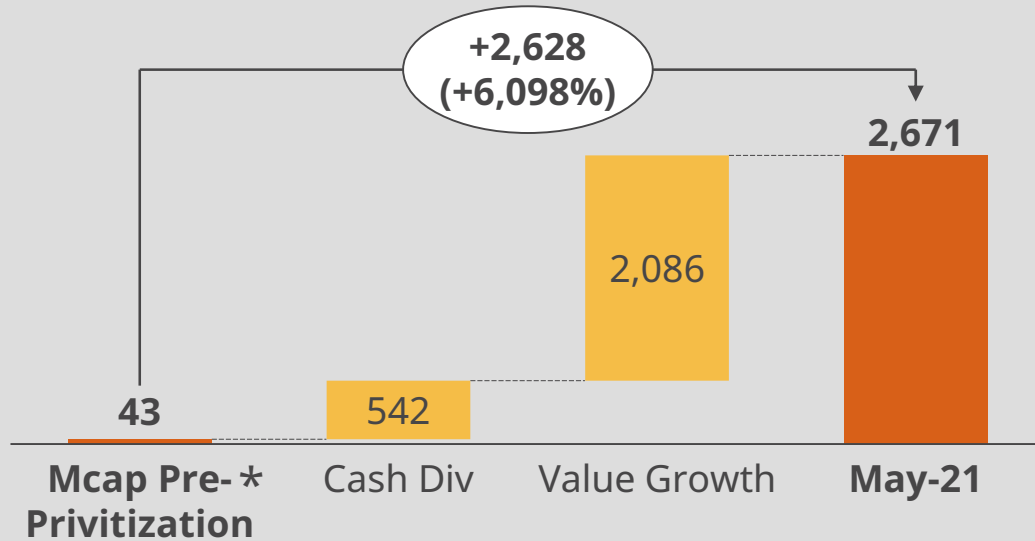
"The Public Warehousing Company (Agility) intends to become a leading facilitator of commerce and commerce-related logistics through the development of high quality and innovative services which create value for our esteemed customers"

"Privatization earmarked a period of change, development and redirection in the face of new opportunities and risk"

Value Creation Since Privatization – 1997 to May 2021 (KD Mn)



IRR for 24 years is ~ 28% (~62x of pre-privatization value)



*an estimate of price before privatization
** estimates of recurring earning power pre-privatization

Summary income statement

	1997**	2019	2020	CAGR 1997- 2019	Growth 1997- 2019
Revenue	8.4	1578.6	1620.7	26.9%	188X
EBIT	4.6	125.3	85.5	16.2%	27.2X
Net income	5.2	89.3	47.5	13.8%	17.2X

2019 is a better comparison as 2020 has the COVID impact

The company has a strong track record of value creation

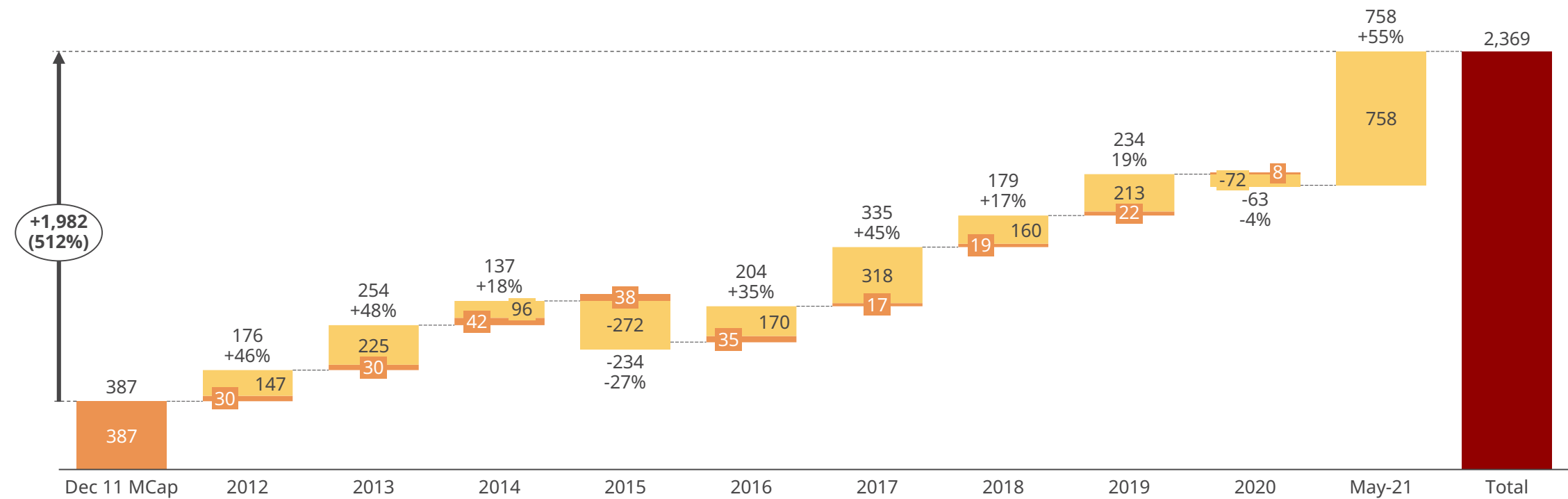
2011-May 2021 (KD Mn)



Value Creation & Aspirations (KD Mn)

Created **KD 2 Bln** in value for our shareholders with **25% IRR** since 2011

- Value Growth -1,741 KD Mln (88%)
- Dividends¹- KD 240 Mln (12%)



¹ Dividends Declared

Key Takeaways

Agility will be a better and stronger company



← Strategic Value

Economic Value →

Stronger Logistics Platform

- DSV is one of the best global operators
- Agility will be the 2nd largest shareholder
- Agility will have a board seat

Future Cooperation with DSV

- Agility and DSV will explore further areas of cooperation with other related Agility businesses- Agility Logistics Parks, Shipa companies, and technology ventures

Financial Flexibility

- The deal creates the resources and flexibility to explore new opportunities for next phase of company's growth

Highly Profitable Non-GIL Business

- The remaining business generates the majority of Agility's earnings power
- Solid, stable and high-margin
- Resilient & diversified across geographies, services

Unlock Shareholders Value

- GIL was valued at a premium
- Estimated Return to Shareholders Through Dividends and Share Buybacks of c. \$150-250 MM Per Year for 8.0% Stake

Q1 Financial Highlights

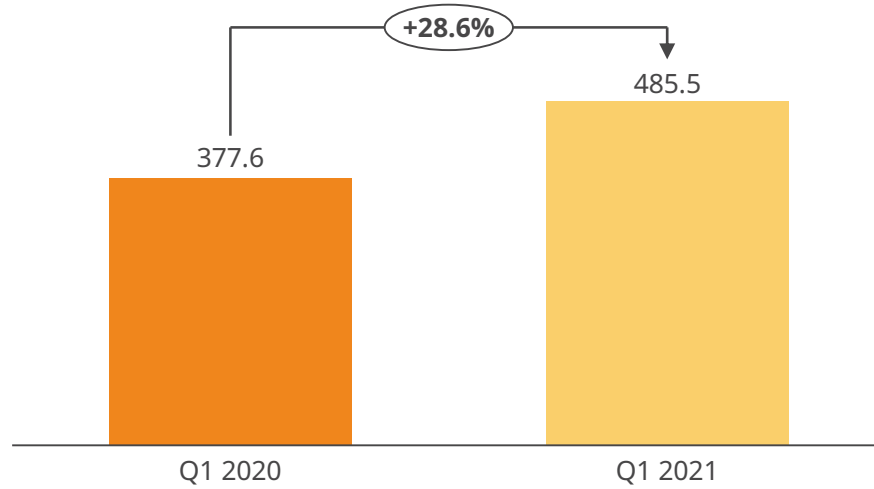


Group Summary Financial Performance

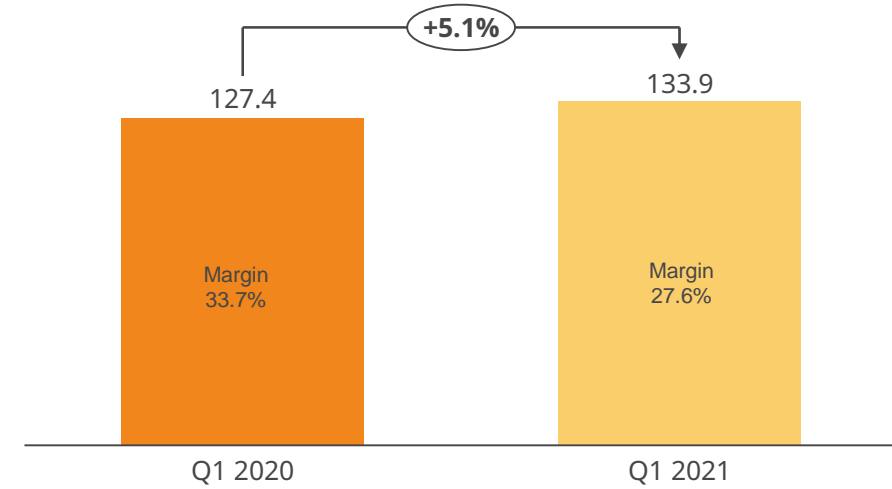
KD Mn



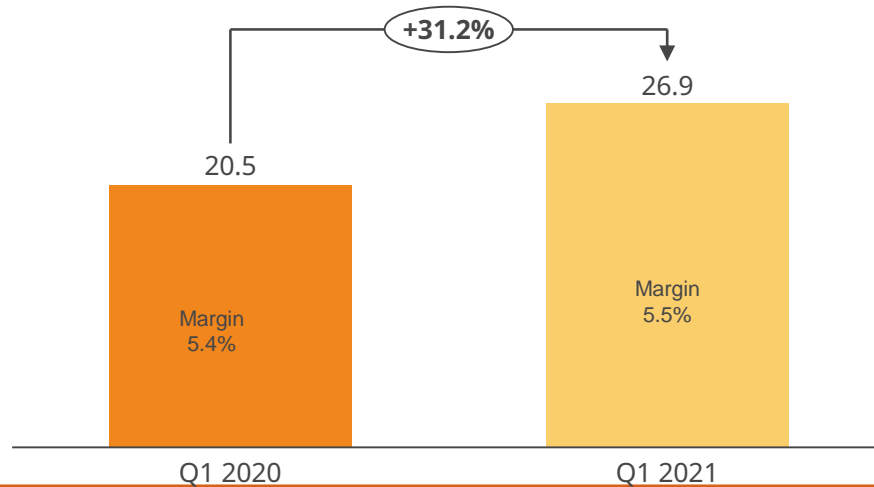
Revenue



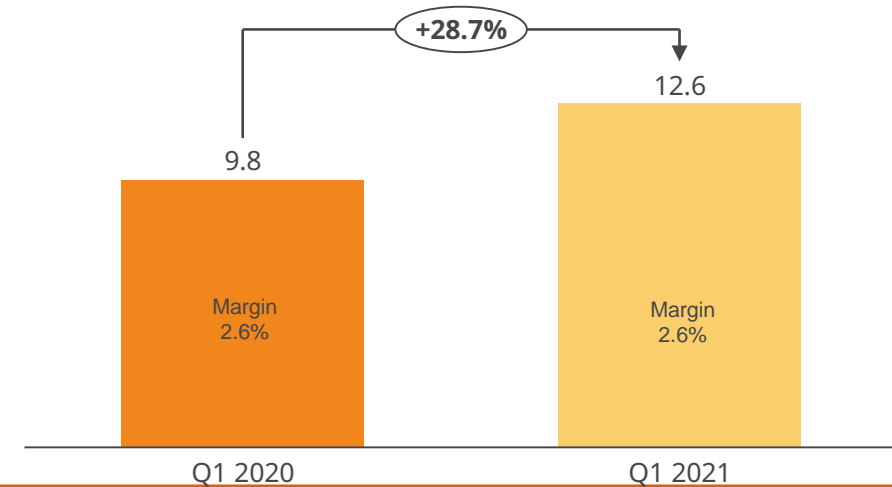
Net Revenue



EBIT



Net Profit

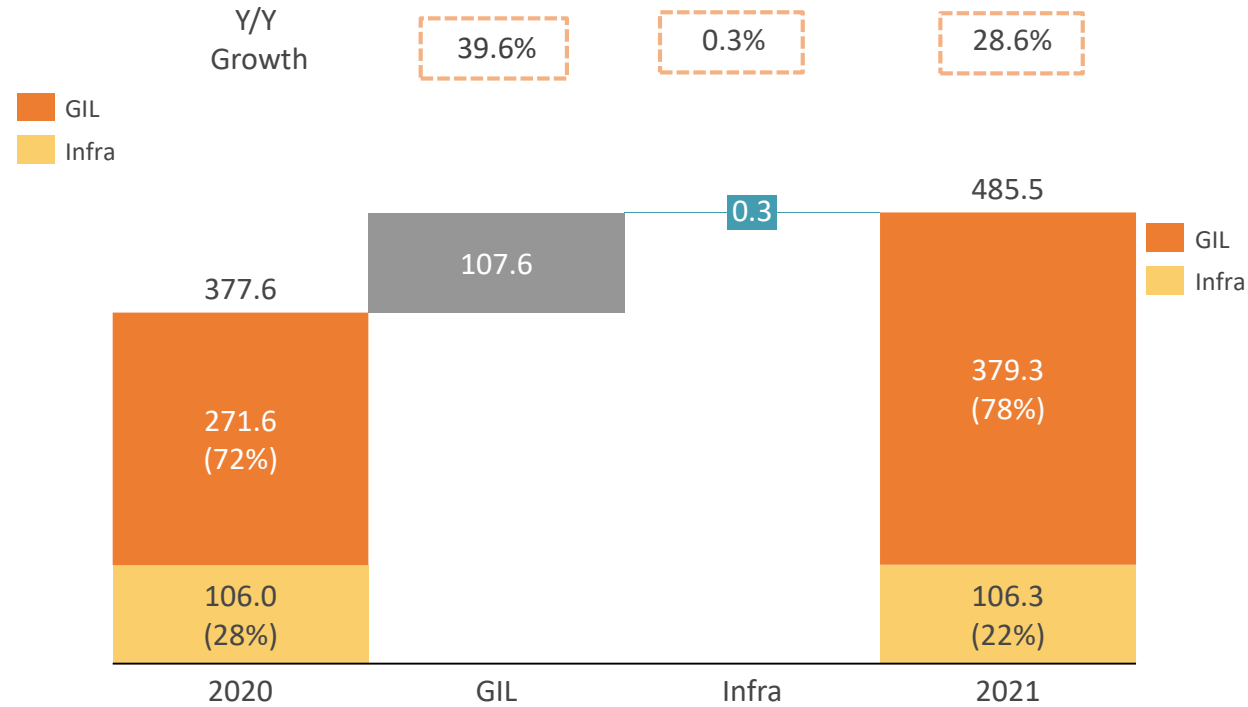


Group Financial Performance

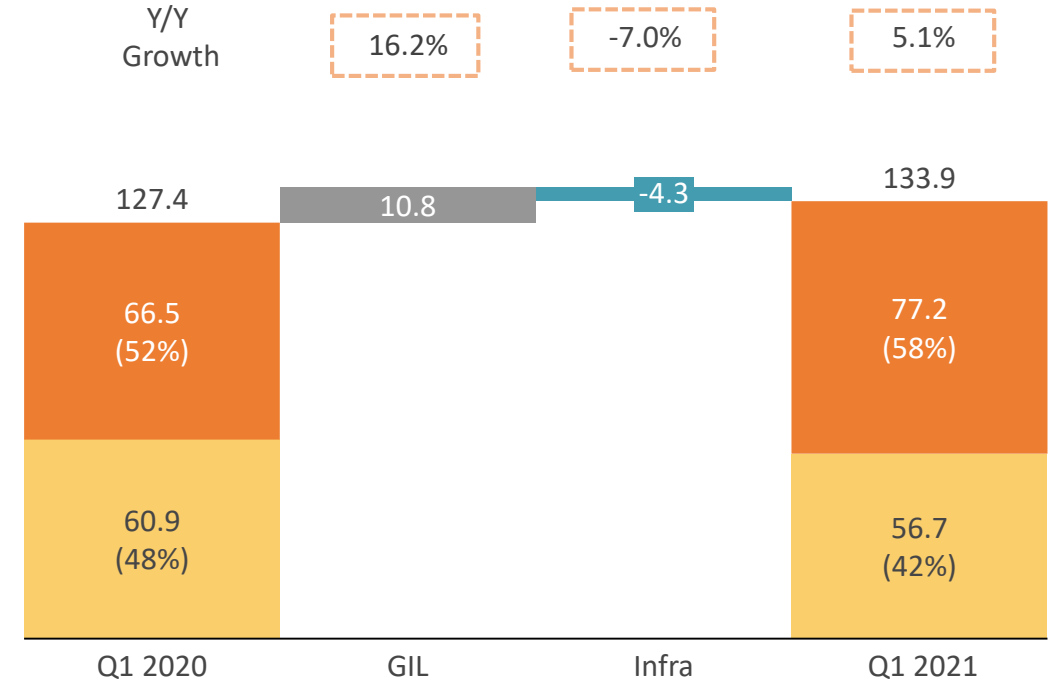
KD Mn



Revenue contribution by Business Group



Net Revenue contribution by Business Group



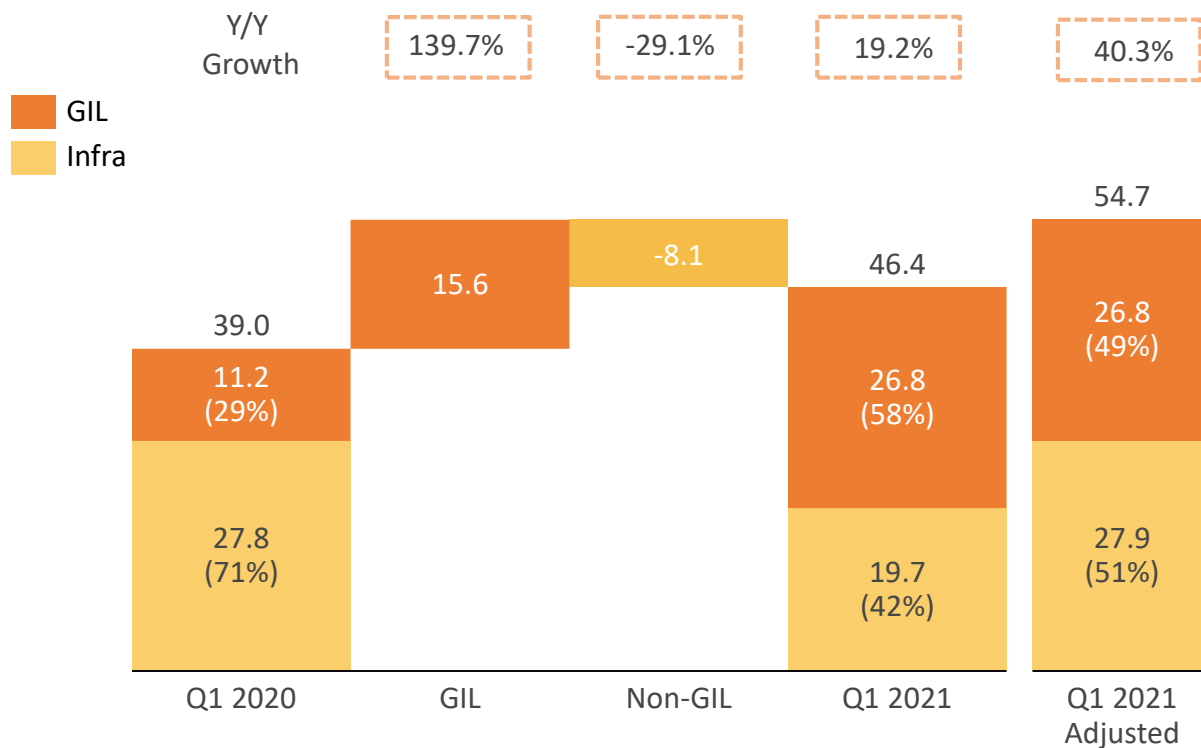
- GIL revenue and net revenue increase was driven by strong results in Air Freight and Contract Logistics
- Infra structure revenue came inline with last year numbers, with some infra entities not recovered completely from COVID-19

Group Financial Performance

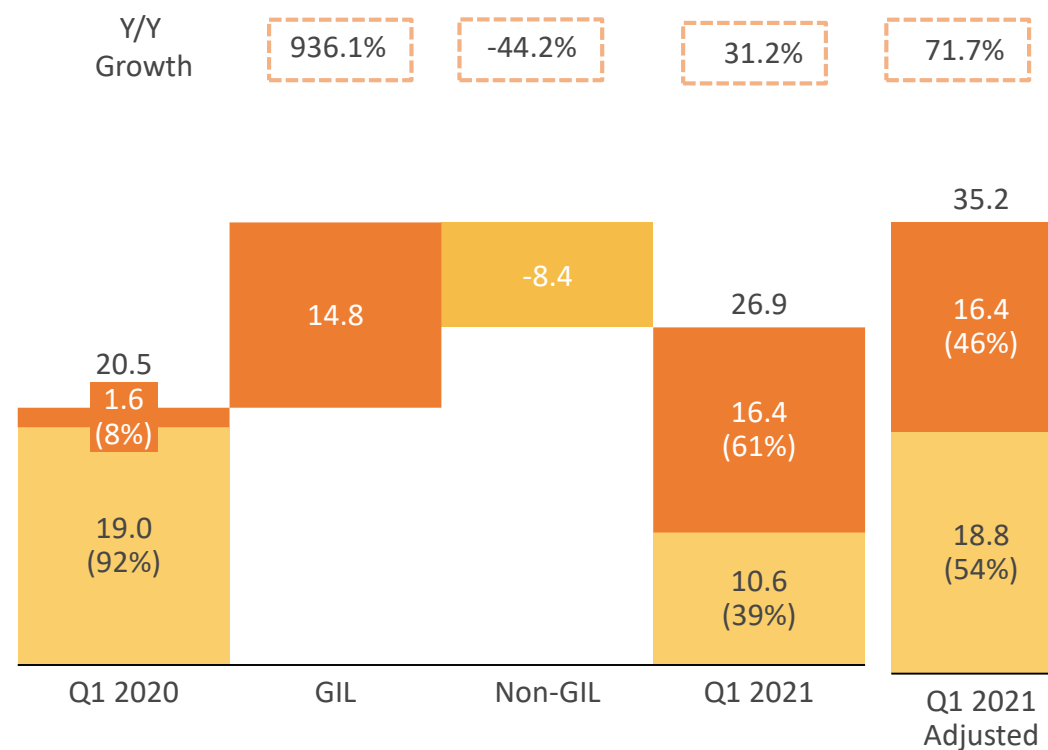
KD Mn



EBITDA contribution by Business Group



EBIT contribution by Business Group



- GIL revenue growth with a range of cost reduction measures resulted in EBITDA growth
- Within infra, EBITDA and EBIT performance came inline with last year's performance, despite some entities still being impacted by the COVID pandemic
- EBITDA and EBIT adjusted for non-operating performance

Balance Sheet

KD Mn



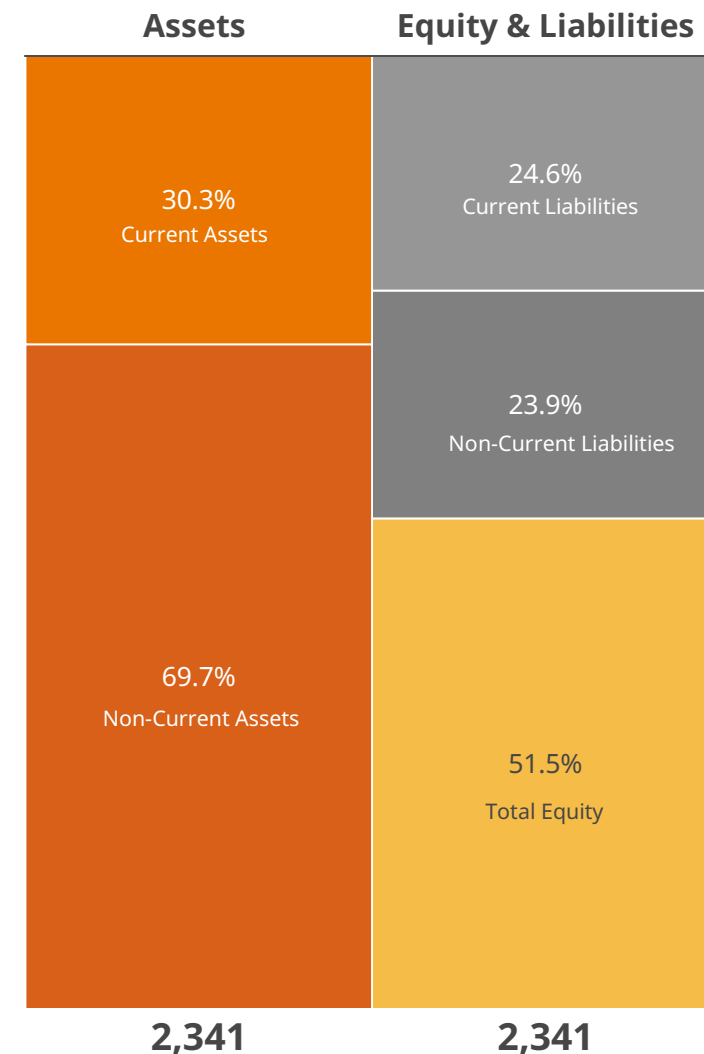
Balance sheet	Q1 2021	Q1 2020	Variance	%
Current assets	708.1	695.9	12.3	1.8%
Non-Current assets	1,632.7	1,545.1	87.7	5.7%
Total assets	2,340.9	2,240.9	100.0	4.5%
Current liabilities	576.2	491.9	84.3	17.1%
Non-current liabilities	559.5	582.0	-22.6	-3.9%
Total liabilities	1,135.6	1,073.9	61.7	5.7%
Shareholders' equity	1,154.7	1,113.4	41.3	3.7%

Highlights

Net Debt ¹	209.3	165.8
Net Debt ¹ / EBITDA ²	1.4X	1.4X

¹ Excluding Lease liabilities

² Pre IFRS16 and annualized



Statement of Cash Flows

KD Mn

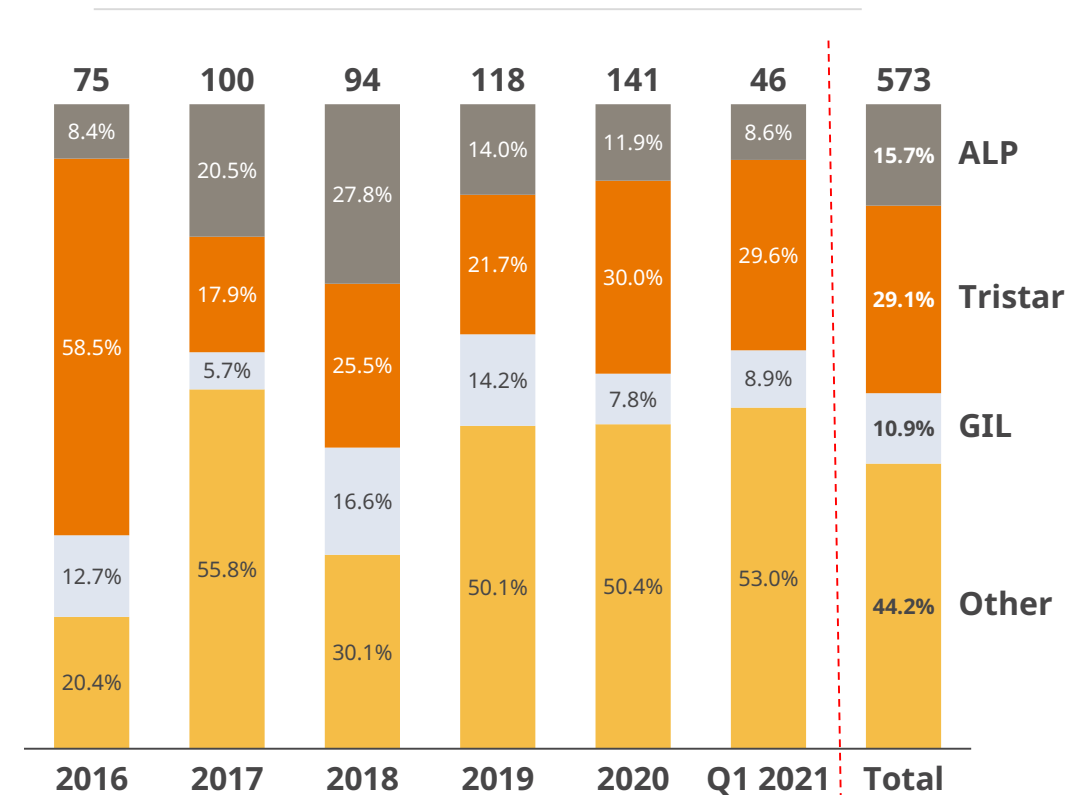


Cash Flow Statement	Q1 2021	Q1 2020	Variance	%
Cash from Operating activities before changes in working capital	54.9	41.7	13.1	31.5%
Changes in working capital	-8.6	-10.0	1.5	-14.7%
Other Items	-6.0	-5.3	-0.7	14.2%
Net Cash flow from operating activities	40.3	26.4	13.9	52.5%
Capex + Investments	45.5	27.7	17.8	64.3%
Net Cash flow from investing activities	-48.8	-27.6	-21.2	76.6%
Free Cash Flow	-8.5	-1.2	-7.3	591.2%

Highlights

Conversion ratio (OCF/EBITDA ²)	86.7%	67.8%
CAPEX as % of Revenue	9.4%	7.3%

Capex Allocation



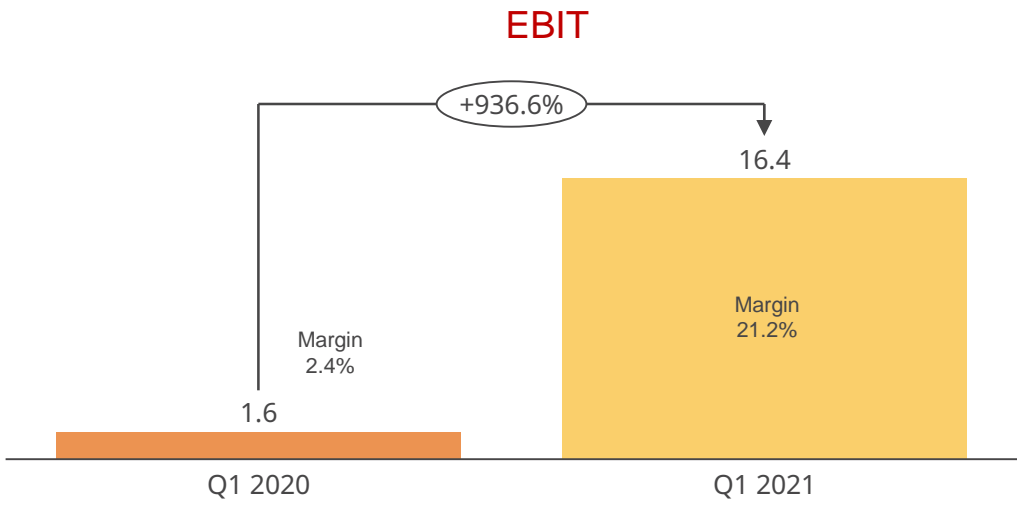
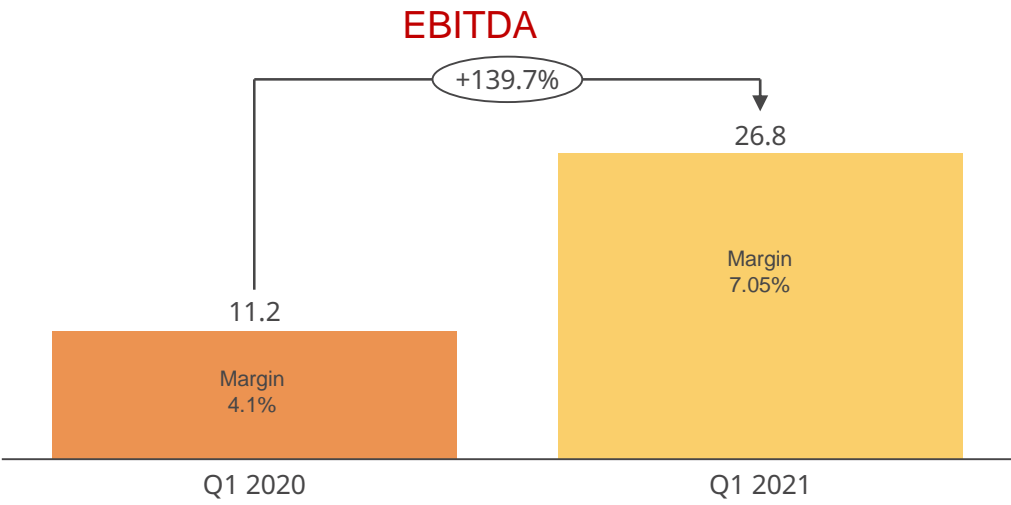
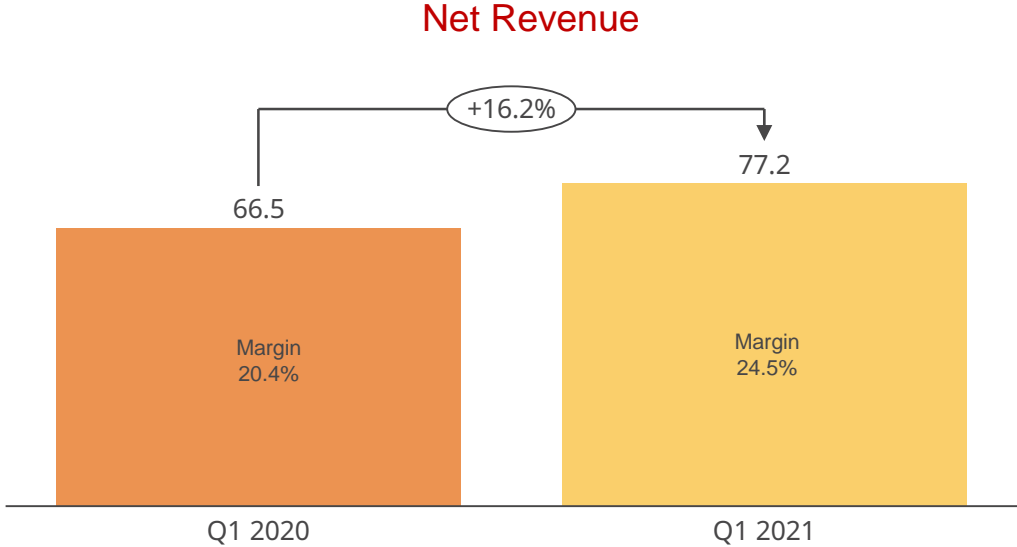
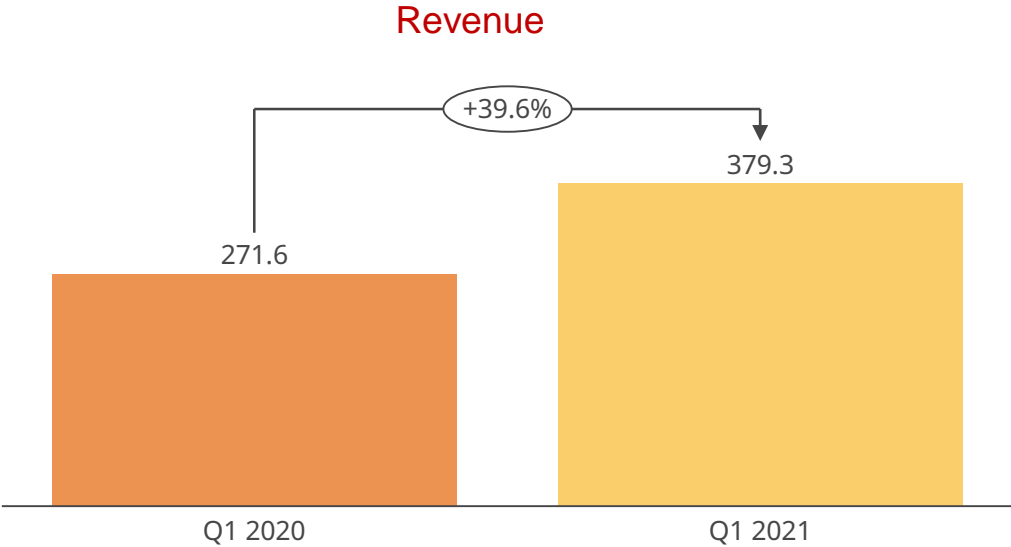
² EBITDA and OCF as reported

¹ Others include Reem mall and corporate investment

Business Segments

GIL Financial Performance Q1 2021

KD Mn

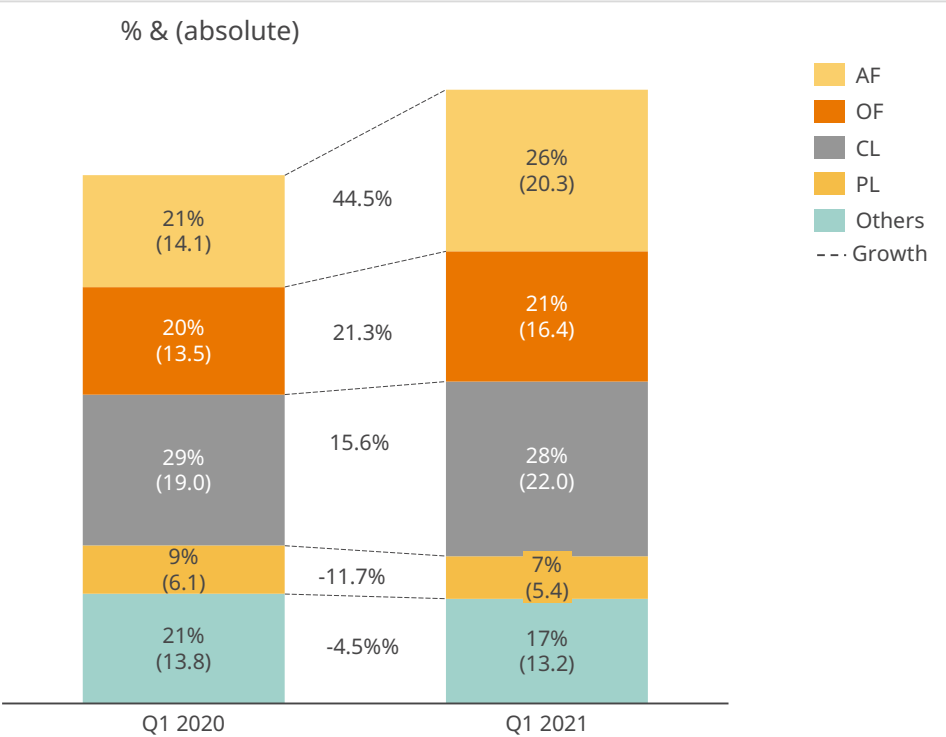


GIL Product Performance

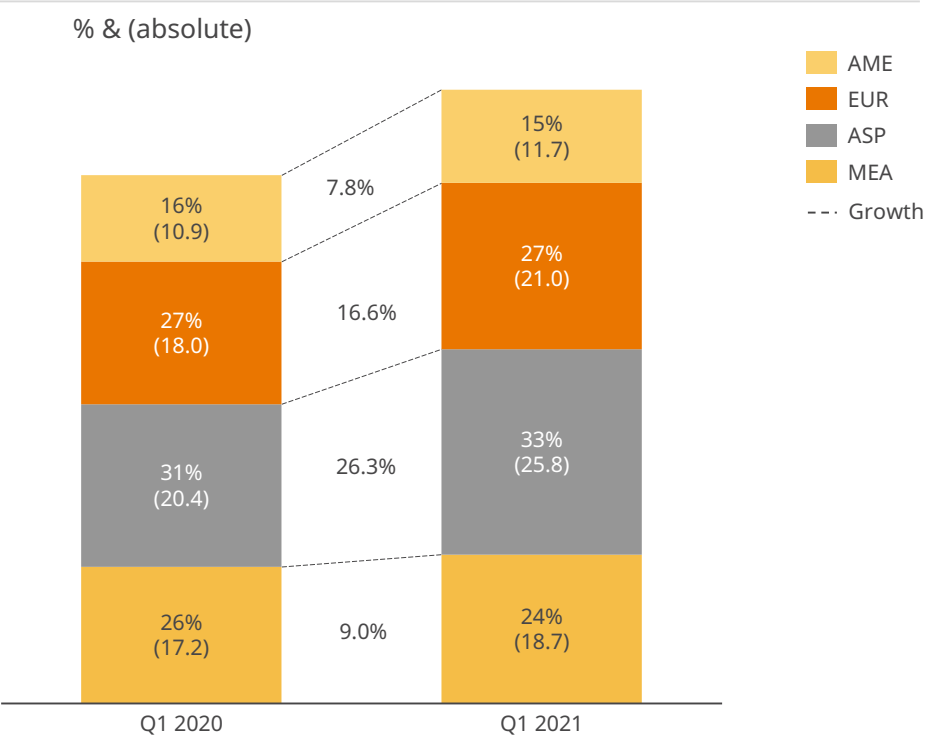
KD Mn



Product Net Revenue Contribution



Regional Net Revenue Contribution



Net Revenue and Volumes Q1 2021

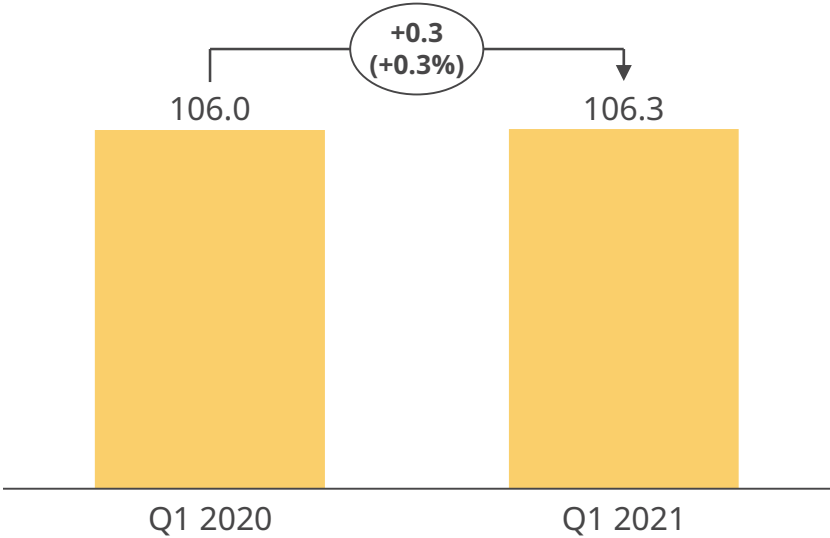
Product	NR Growth	Volume Growth
Air Freight	44.5%	14.8%
Ocean Freight	21.3%	0.7%

Infrastructure Group Financial Performance

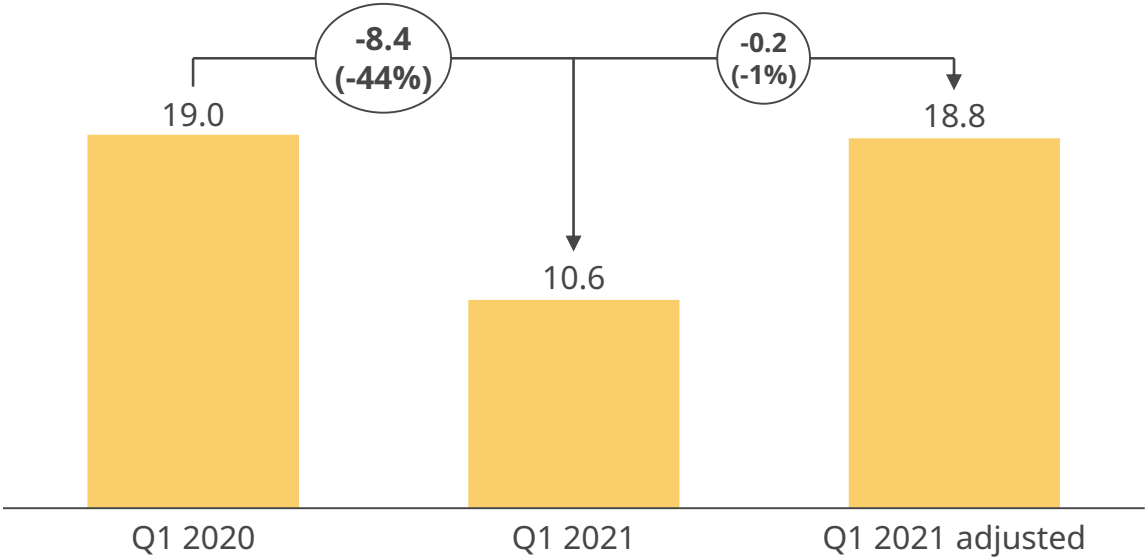
KD Mn



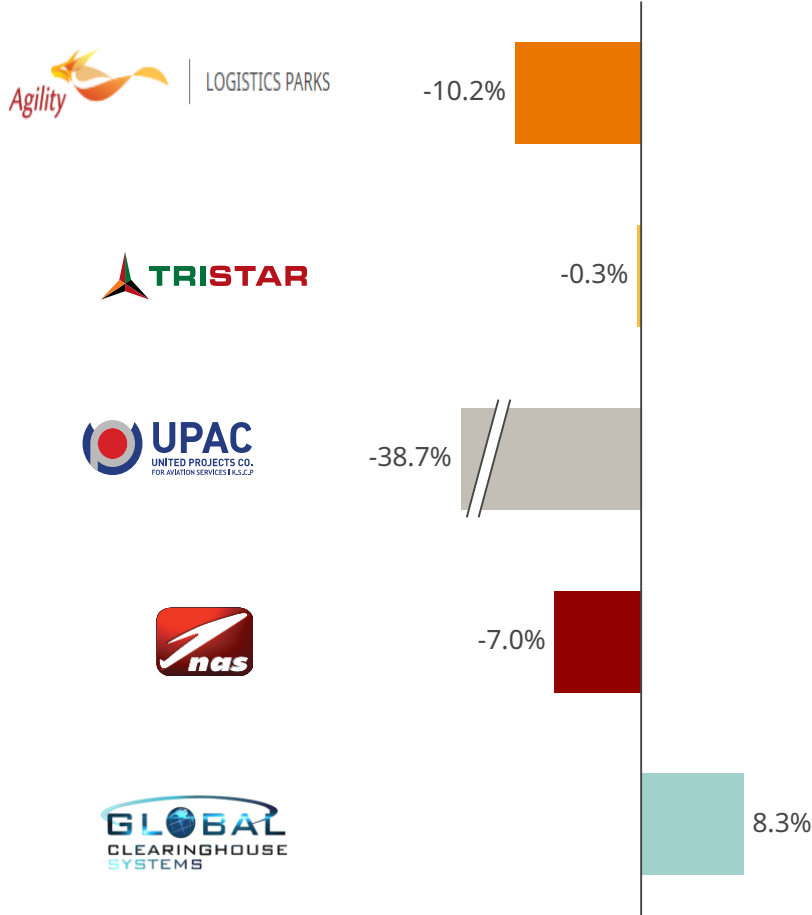
Revenue



EBIT



Revenue QTD



Sustainability

The three pillars of our approach to greener supply chains



Ecovadis rated Agility in the top 4% of logistics industry companies for environmental sustainability



ADDRESSING SUPPLY CHAIN EMISSIONS

Tracking emissions for **600,000** customer shipments

Supply Chain Optimization

using network rationalization, air freight densification, and other techniques lead to considerable cost and emissions savings



ADDRESSING DIRECT EMISSIONS

90% of country operations report electricity and fuel usage

ISO 14001 certifications in sites covering

50% of all headcount



INVESTING IN INNOVATION

\$18 million invested in green supply chain tech over 3 years through corporate ventures team

Industry engagement

Clean Cargo Working Group (CCWG), Sustainable Air Freight Alliance (SAFA), the World Economic Forum's Getting to Zero Coalition, and more

Community partnerships for impact at scale



We have invested in 1,700+ community partnerships in 80+ countries, reaching more than 1.6 million people in need since 2006

Ghana



Vocational training program graduates 325 youth

Malaysia



UNHCR community center for 12,000 refugees

India



Supported 1,000 students with school refurbishment projects

Kuwait



Mentored 1,700+ high school students in business fundamentals

Brazil



Set up a computer lab for 600 students through the 'Google for Education' initiative

Bangladesh



Tutored 2,200 students at two schools

Q&A Session
