

Thursday, 19th August 2021

Agility Earnings Call Presentation

Q2 2021 Results



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Agenda



- 1 DSV-GIL Transaction Closure
- 2 Financial Highlight
- 3 Agility's Way Forward
- 4 Q&A

DSV-GIL Transaction Closure

- On 16 August 2021, Agility concluded the sale of its Global Integrated Logistics (“GIL”) business. The all-shares transaction has an enterprise value of **\$4.77 billion** and equity value of \$4.67 billion, on closing, an increase of ~\$ 500 million compared to the value announced as of the signing date i.e. April 27, 2021.
- In consideration for 100% of GIL, Agility receives **19,304,348 DSV shares** (with a nominal value of DKK 1 per share) representing approximately 8% of all post-transaction outstanding shares of DSV. Agility will also have a seat on the DSV board of directors.
- The impact of the transaction will be a **one off gain representing** the difference between GIL carrying value and DSV’s shares value as of end of August 2021. This will be reported in the third quarter of 2021 where Agility will book a gain from Disposal of discontinued operations i.e GIL of **around KD 968 million (USD 3.2bln)** and an investment at Fair value of KD 1.4 billion*.
- Going forward, the DSV investment will be reported at fair value as per **IFRS 9**

Deal Impact – Summary



Agility will be a better and stronger company



Stronger Logistics Platform

- DSV is one of the best global logistics operators with market cap of **~USD 55bln**
- Agility will be the **2nd largest** shareholder with a board seat
- Agility and DSV will explore **further areas of cooperation** with other related Agility businesses- Agility Logistics Parks, Shipa companies, and technology ventures

Unlock Shareholders Value

- Recognize a one-time profit of **USD 3.2bln**
- Potential cash flow from DSV (in the form of dividends and share buybacks) to Agility of **~USD 200mln** per annum.
- DSV's had a very strong track record creating shareholders' value (**IRR of 37%** over the past 10 years)

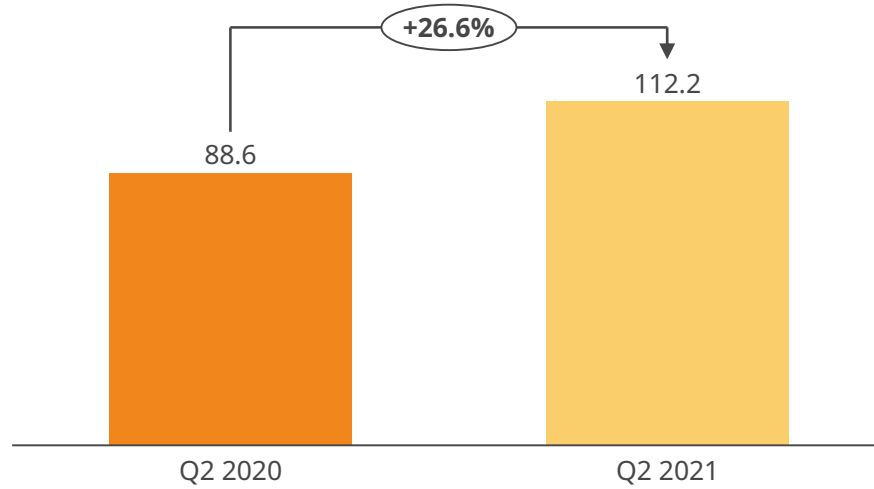
Q2 Financial Highlight

Group Summary Financial Performance (Q2)

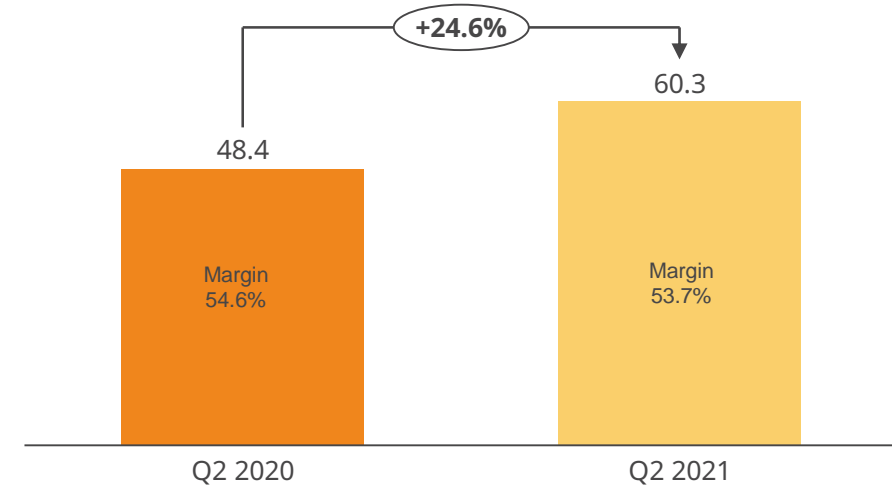
KD Mn



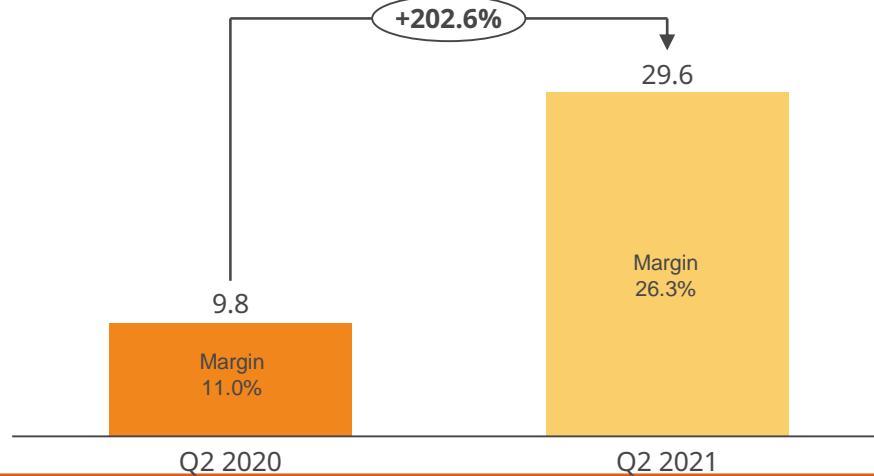
Revenue



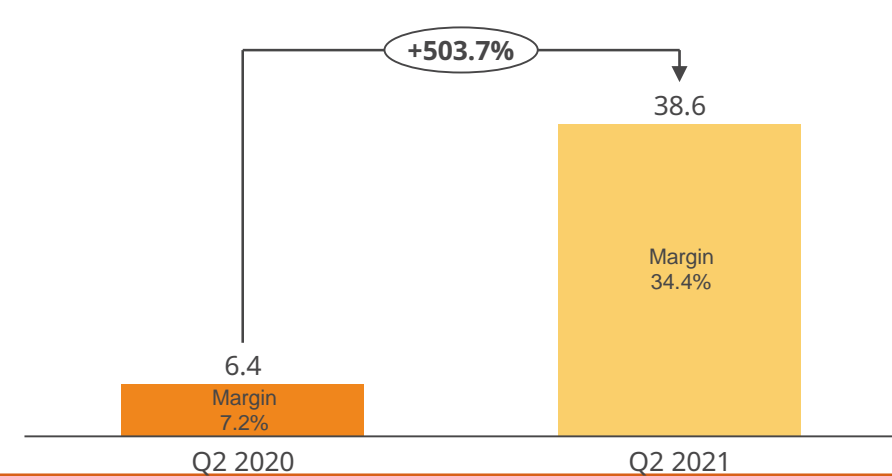
Net Revenue



EBIT



Net Profit



Infrastructure Group Financial Performance

Revenue Growth QTD



ALP Logistics

+5% revenue growth was due to increased demand for warehousing space in regions where ALP has presence

TRISTAR

12.5% revenue growth. This performance reflects improving market conditions and Tristar's resilient and diversified business model



238.3% revenue growth. UPAC operations are showing signs of gradual recovery



131.9% revenue growth. NAS's performance represents a full recovery to pre-pandemic levels of 2019.



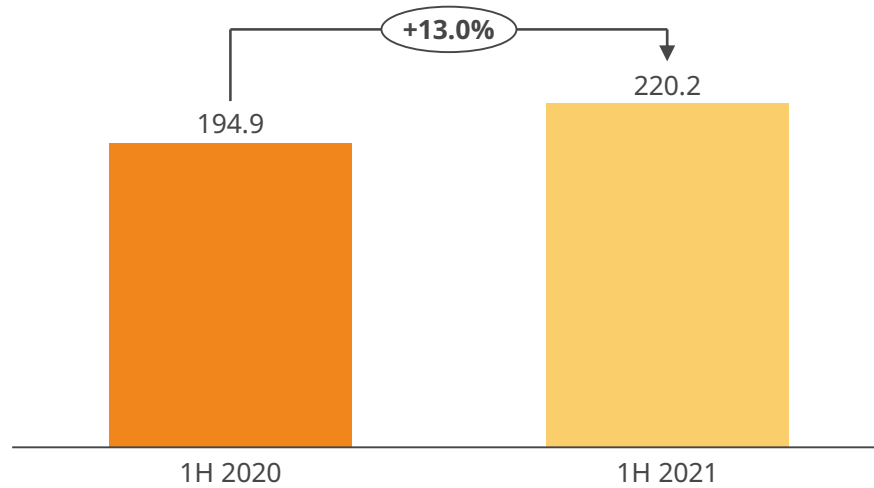
48.1% revenue growth. GCS's performance was driven by increased trade volumes and initiatives implemented by the company to spur its growth.

Group Summary Financial Performance (1H)

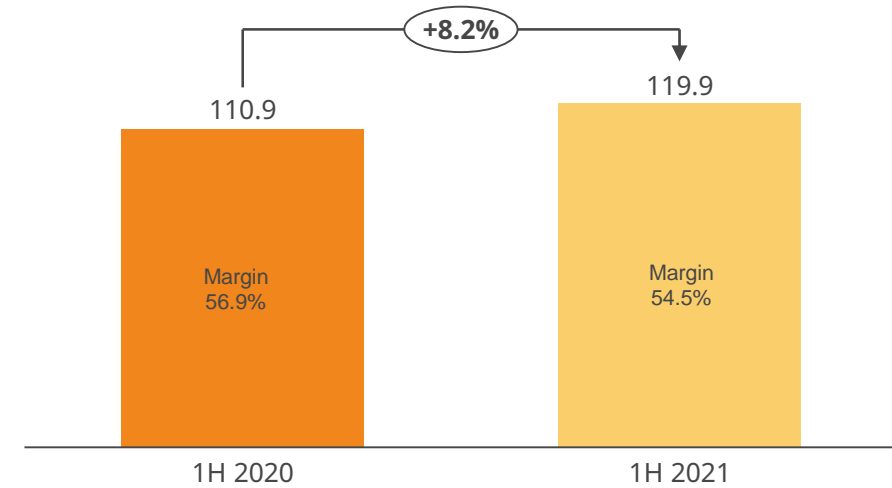
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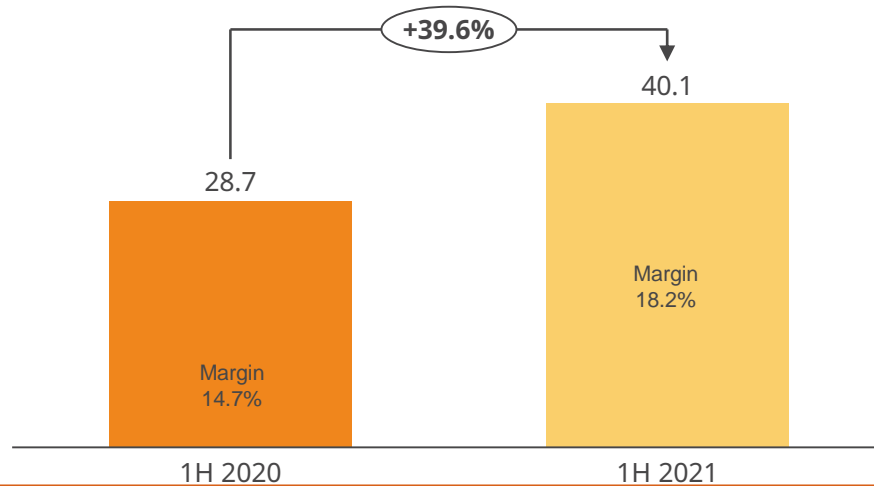
Revenue



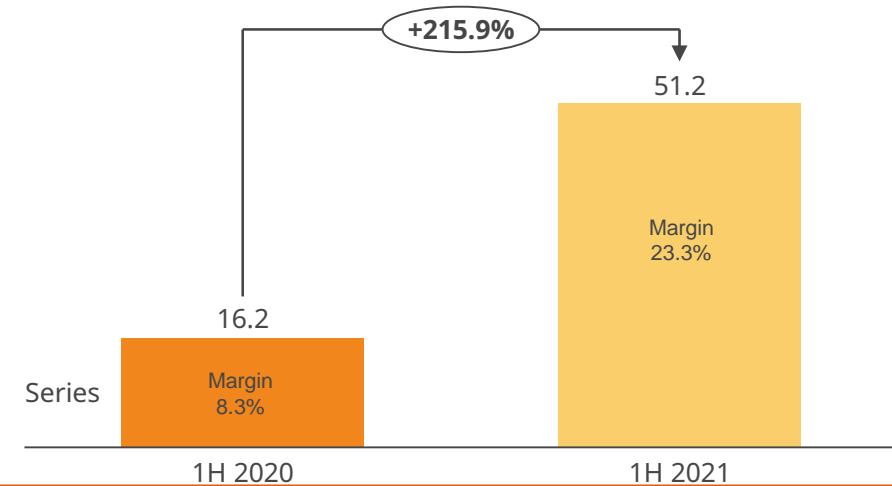
Net Revenue



EBIT



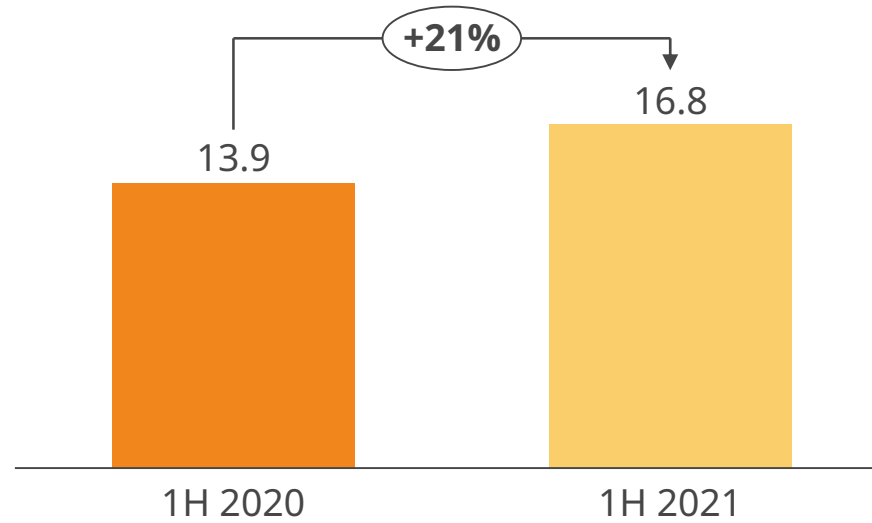
Net Profit



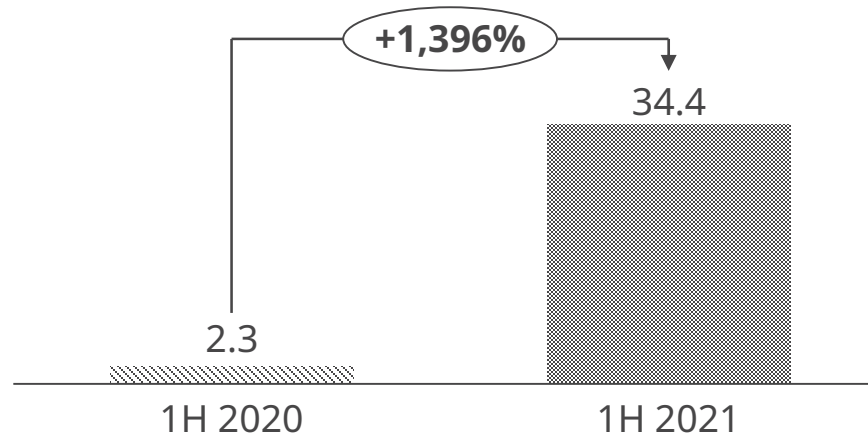
Net Profit Contribution

KD Mn

Continued Operations



Discontinued Operations



Highlights

- GIL (Discontinued Operation) is reported in this quarter as a single line item as per IFRS 5
- GIL performance was exceptional this quarter driven by favorable market conditions
- Continued operations include the performance of our Infrastructure entities and the strategic investments

Balance Sheet

KD Mn



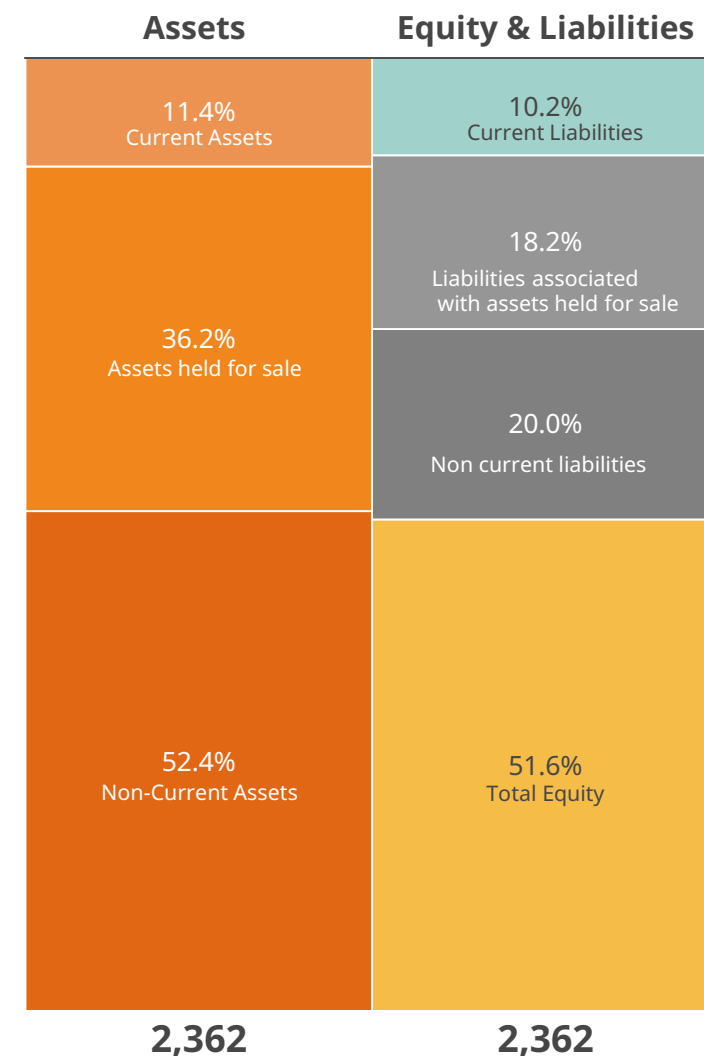
Balance sheet	Q2 2021	Q2 2020	Variance	%
Current assets	1,123.1	664.0	459.1	69.2%
Non-Current assets	1,238.8	1,552.8	-314.0	-20.2%
Total assets	2,361.9	2,216.7	145.2	6.5%
Current liabilities	671.6	524.5	147.1	28.0%
Non-current liabilities	471.8	536.2	-64.4	-12.0%
Total liabilities	1,143.5	1,060.7	82.8	7.8%
Shareholders' equity	1,170.5	1,110.9	59.6	5.4%

Highlights

Net Debt ¹	299.9	143.1
Net Debt ¹ / EBITDA ²	2.8X	1.7X

¹ Excluding Lease liabilities and discontinued operations

² EBITDA annualized and excluding discontinued operations



Statement of Cash Flows

KD Mn

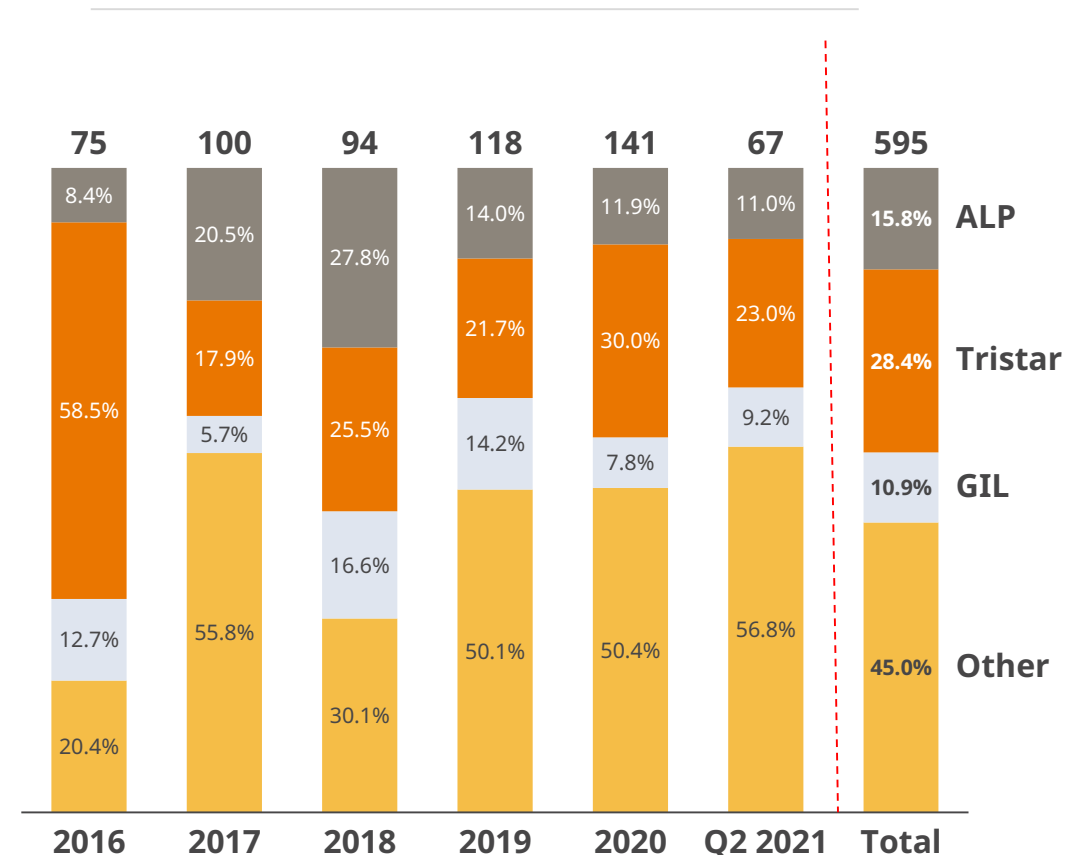


Cash Flow Statement	Q2 2021	Q2 2020	Variance	%
Cash from Operating activities before changes in working capital	126.3	81.6	44.7	54.7%
Changes in working capital	-24.0	23.0	-47.0	-204.3%
Other Items	-13.5	-11.0	-2.5	22.5%
Net Cash flow from operating activities	88.8	93.6	-4.8	-5.1%
Capex + Investments	-67.4	-46.8	-18.2	36.9%
Net Cash flow from investing activities	-70.4	-49.9	-20.5	41.1%
Free Cash Flow	18.5	43.7	-25.3	-57.8%

Highlights

Conversion ratio (OCF/EBITDA ¹)	70.8%	123.4%
CAPEX as % of Revenue	6.2%	6.1%

Capex Allocation



¹ EBITDA and OCF includes discontinued operations

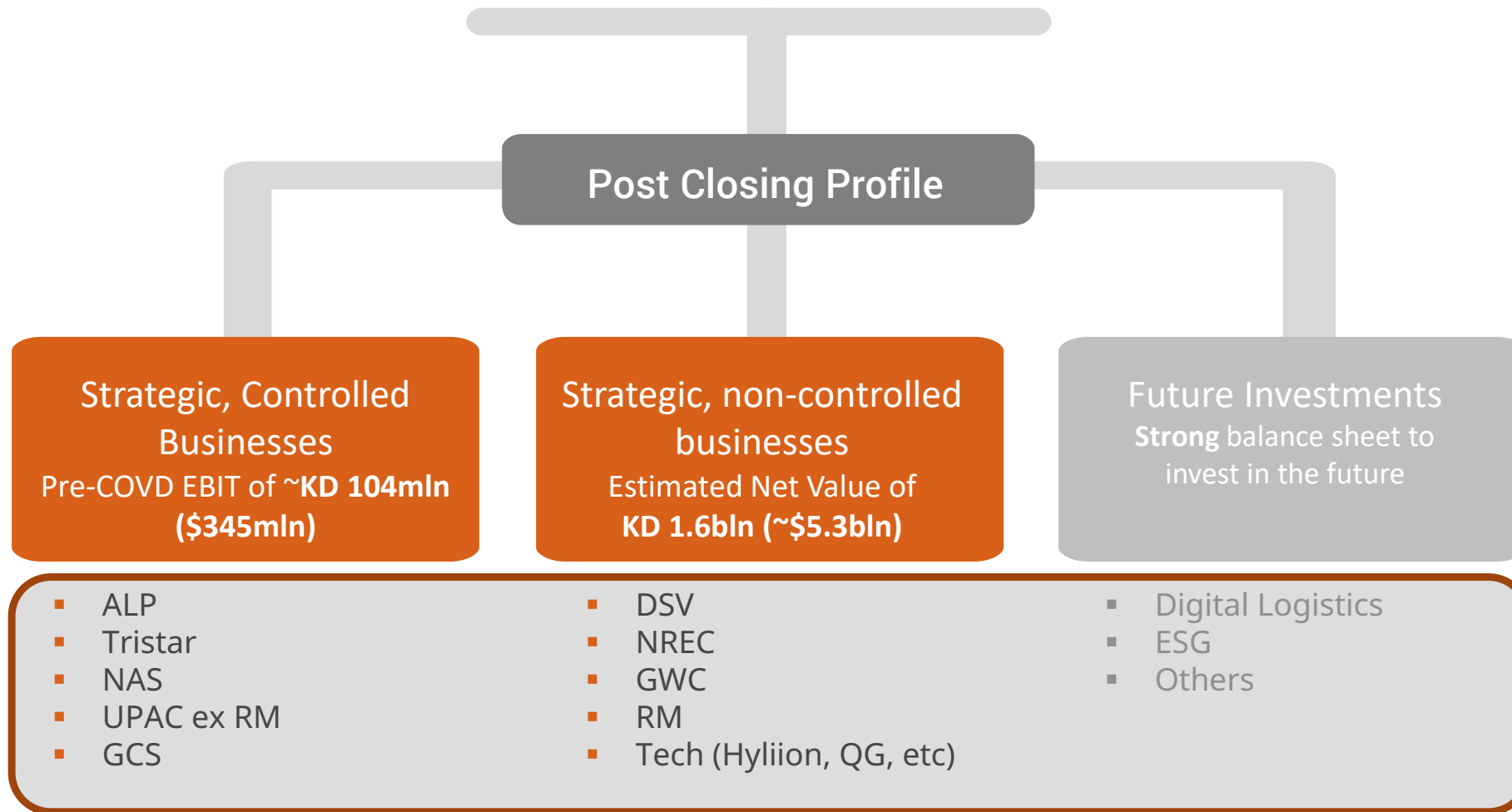
² Revenue includes discontinued operations

¹ Others include Reem mall and corporate investment

Agility's Way Forward

- Agility Management had a strong track record in creating shareholders' value over an extended period of time
 - Since its privatization in 1997 **~65x of pre-privatization value an IRR of ~28% for 24 years**
 - Since 2011 (shifting focus from military business) **~5x with a value creation of ~USD 7bln and an IRR of ~25%**
- Going forward the value of the company will be driven by 2 Pillars:
 - **Strategic Controlled Investments** i.e. ALP, Tristar, NAS, GCS, GCC..etc We expect to realize value through organically and inorganically within these sectors. Earnings from this Pillar will be consolidated into our financials and will reflect in our operating earnings.
 - **Strategic Non-Controlled Investment** i.e. DSV, Reem, GWC, Tech investments is becoming a critical pillar of our portfolio of businesses as these investments represent strategic stakes in businesses which we believe will continue to enhance shareholders' value . The value of these investment will mainly be reflected in the shareholders Equity as well as in the cash we will receive from dividends shares buy back, partial or full monetization of the stake
- Our Balance Sheet remains our strength to fuel our future growth

Post Closing Agility's Profile



Post Closing Agility's Profile – Financial Snapshot

Well positioned for further growth



Strategic, Controlled Entities

	Absolute Value in KWD M					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 Listed Investments *	1,631
Total Other Investments	154
TOTAL INVESTMENTS	1,786
Debt **	167
NET VALUE	1,619
Agility nb. of Shares Outstanding	2,104,893,396
Value per Share (KWD)	0.769

* Listed Investments are valued as 17 August 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

Q&A Session
