Agility

20 November, 2022

M/s Boursa Kuwait

Subject: Analyst/ Investor Conference for the Third Quarter of 2022

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 Thursday, 17 November 2022.

Please refer to the attachment for the minutes of the conference and the Investor presentation (Q3 -2022)

Best Regards,

Investor Relations Team

P.O. Box 25418, Safat 13115 Kuwait

ص.ب 25418 الصفاة 13115 الكويت

Agility Public Warehousing Company
Third Quarter 2022 Analyst Webcast

Sunday, November 20th 2022

Kindly find enclosed minutes of Agility's analyst webcast, which was held on Thursday November 17, 2022 at 2:00 PM Kuwait time, to discuss Third Quarter 2022 earnings results.

Attendees from Agility:
Ehab Aziz – Group CFO
Soriana Borjas – Investor Relations, Senior Manager
Awrad Alenezi – Investor Relations, Senior Analyst

From Arqaam Capital:
Sidharth Saboo

Sidharth: Good afternoon, ladies and gentlemen and thank you for joining us today. This is Sidharth Saboo, and on behalf of Arqaam Capital, I would like to welcome you to Agility's Third Quarter 2022 earnings webcast. With me here today I have Mr. Ehab Aziz, Agility's Chief Financial Officer and Agility's Investors Relations Team. Without further delay, I will now turn over the call to Awrad from Agility's Investors Relations Team.

Awrad: Thank you Sidharth and welcome everyone to Agility's third quarter 2022 earnings webcast. As usual, Mr. Ehab Aziz, our group CFO will take you through Agility's third quarter performance and the major developments that happened in the quarter. After the presentation we will open the floor for the Q&A. We will receive all your questions in the chat box and we'll address them towards the end of the session. Before we begin, I would like to draw your attention to the disclaimer available on the present page, as this presentation may contain forward looking statements, such statements are subject to risks and uncertainties. Please take a moment to read this and then I'll hand this over to Ehab. Thank you.

Ehab: Good afternoon and good morning everyone. We'll start the presentation with a business update, and then we'll go to the company overview and then we'll walk you through the numbers. Then we'll open the floor for Q&A. So hopefully it's a short and effective call. We have been extremely busy over the past couple of years to basically refocus the company and reshuffle our portfolio of businesses that we have. As you know, we have sold our logistics business GIL to DSV in exchange for about 8% stake in DSV and now it's about 8.8% of the net outstanding shares. And then immediately after that we acquired Menzies. Menzies transaction has been closed last August.

So, GIL transaction was closed in August'21, and Menzies transaction was closed in August'22. So, we have been extremely busy with that and it has been very, very exciting times, but also very hectic times. I hope that all the effort will basically position the company for the next phase of growth.

We're very excited about Menzies and the potential it provides us. It is a very solid platform in a very fragmented industry. Today Menzies has about 35,000 employees and operate in 254 airports in 58 countries. So, it's a truly global company and provides us with a platform that we can add on, both organically and inorganically and take Menzies to the next level and be the undisputed leader in that space. Also, during that quarter, we closed another transaction on Tristar where Tristar acquired 51% in HG Storage. HG Storage was a joint venture between HNA and Glencore and we acquired the HNA stake. So, we became the 51% partner with Glencore on that asset. The transaction was about USD 215 million, and it gives us a significant capacity in multiple geographies in fuel storage, which strengthens Tristar position. Also, it's worth noting that we refinanced our facility as a result of the acquisition of Menzies and there is a slide later in this presentation about our financing profile and how it looks today after the transaction. I think it's an important topic that we need to discuss and address.

So, these are the key events during that quarter. As far as Menzies is concerned, since it would be one of our largest entities within our controlled group. As you know, our company today is divided into controlled segment and investments. Within the controlled group, Menzies will be the largest contributor and will contribute about 40% of our revenues going forward and about 35% of our EBITDA. And we have also integrated NAS into Menzies. So now when we say Menzies Group, that includes NAS and Menzies and not just John Menzies that we acquired from the UK market so we are rebranding everything under Menzies Aviation. We will operate under Menzies Aviation brand globally and NAS now predominantly became Menzies Middle East and Africa region for the purpose of the integration.

What is the value of Menzies for us? So definitely it provides a very good asset financially and strategically, but more importantly, it gives us the platform to continue to acquire businesses in that space. And that space is quite fragmented and there is significant scope to expand and acquire small, medium size and even sizeable M&A, which should create value in the next three to five years. So, we are very, very optimistic about Menzies. We are very optimistic about the future and very optimistic about the value that this should bring to our shareholders.

Moving to the group's financials, again, given the changes that have been happening, in the past two years, the company that we used to know two years ago is totally different today and that was in a very, very short span of time, given the magnitude of the transactions and the changes and the events that have been taking place. And as a result, the numbers keep changing. So, if you remember in the last quarters, we were basically reporting controlled entities without GIL and without Menzies. And now we bought Menzies, which was closed in August. So, we have to consolidate August and September in this quarter, and then we will have the remaining three months of the year, and then the following year, the base year will be different. So, there are so many changes in the numbers and that's why we try to split the numbers as much as possible and give you a little bit more visibility on that. But there is noise in the numbers that we cannot avoid.

So, revenues without John Menzies, is up 34%. That's again, the continuation of the post covid recovery which is well ongoing. With Menzies the increase is about 106% in revenues. As far as net revenues are concerned for the quarter, it's up 11% excluding Menzies and about 126% with Menzies.

EBITDA grew without Menzies 21% year over year and with Menzies it's about 57%. Again, net profit is up 28% and 48% with Menzies. So, I would say it was a very good quarter in a very tough environment. And we hope we continue the progress and positive momentum that we have. But again, we are facing quite unpredictable and significant changes in the market, on the interest rate environment, on the inflation environment and the geopolitical environment. So, we are navigating through very, very tough times. But I think we should be able to navigate through that as much as possible given our strong base and strong performance and the strong entities that we have.

As far as the nine months is concerned, again, very healthy year over year, across the board, across the different metrics and across also the different entities. Revenues up 27% which is quite significant with Menzies is about 53%. 16% growth in net revenue, 21% growth in EBITDA which is more or less similar to Q3 year over year and then net profit is up 57%. The numbers also include the transaction costs that we have been incurring to do the acquisitions and the disposals. So again, once we stabilize, which we are, hopefully we will be lot more stable going forward in the future quarters. You start seeing the true earning power of the company, which we are optimistic about.

This is a slide to remind you of how we look at the company and how the market should look at the company because today you cannot just only look at the earning power and the EPS of the company and make your views on it because we have a very significant part of our company today classified as investments, which we didn't have in the past. We did have some, but not as significant, as it is post the DSV deal. So, we tried to give you a split between the controlled business, which influenced the earning power of the company and the investments. And as far as the controlled businesses, which now Menzies is part of, you can see that the nine month and clarifying that the 2019, 2020 and 2021 are 12 months numbers and the 2022 is only the year to date, nine months. And you can see we are almost even with nine months, almost back to the pre-covid figures, excluding of course GIL which is no longer reported in these numbers. So, you can see that we have been making very good progress, and hopefully for the 12 months of2022 will exceed the 2019 numbers. And that is not only coming from Menzies, it's coming from all the entities recovering and achieving strong growth year over year. And the recovery post covid has been going extremely well. Menzies, by year end, will have almost five months and again, will not be representative of the full year impact. We'll try to give you some guidance in the year-end once we go through the integration and get our hands around it. Integration has been going very well and the team is working extremely well. But I think we still need to get better visibility on the numbers and the combined numbers with NAS and maybe we'll communicate something to you. We might also report Menzies Group including NAS as a separate entity within our segment reporting. So hopefully by year end you'll have a better visibility on that. But the key point here is that we have been recovering from Covid and our numbers, by year-end, should exceed the 2019 EBITDA and EBIT numbers. Of course, you can see that the net debt has increased for that segment and the net debt is something that we calculate internally. It's not audited, but it's our best estimate of how much debt is allocated to the Controlled Businesses versus the Investments. And you can see that the net debt has gone up and that's primarily due to acquisitions that took place and we talked about previously, the Menzies and the HG storage within Tristar.

On the Investments side, the dominant factor is definitely DSV. And as you might know the markets have been going down because of higher interest rates, inflation and because of the geopolitical situation in Ukraine. And as a result DSV’s share price has also gone down with the market. Now we believe that is a temporary decline in DSV share price.

We believe that the intrinsic value of DSV is much higher and actually the consensus view from the analysts, (DSV is well covered by the international banks), is actually much higher than where it is today.

So, internally we have our views that the numbers and the performance so far has been extremely, extremely strong. And we believe once the market digests the interest rate changes and settle and investors start looking at earnings, I think DSV should relatively outperform the market and its peers given their very, very strong performance.

So, we have no doubt about their abilities to perform and deliver. But the market went down and DSV went down with it. And I think that's why we also put the accounting treatment of DSV as a change in equity, which we will see later on because we didn't want the volatility of the stock price to go up and down.

For this segment, as you can see, the total is about KD 1.2 billion of value. That's our best estimate. There are Quoted Investments, whose valuation is straightforward. The value of Unquoted Investments we try to use different methods to come up with the value of that segment. The total for both we estimate at about KD 1.2 billion. And then our estimate is also that there is about KD 283 million of debt allocated to that segment, and that gives us a net asset value from that segment of about KD 879 million.

So moving on, again, continuation on the segment reporting, because of the accounting treatment of some of the investments create some noise in our P&L, we try to split that between the Controlled, so you can see the recurring earning power of the Controlled entities, versus the noise and the volatility that gets created by the Investments segment. And then the consolidated figures is what we report. And as you can see, the Controlled business is performing much better than the Investment segment where we had to revalue some of the investment and take a hit in our balance sheet and P&L.

Now moving again to the balance sheet. The most notable item is definitely the decline in equity, and you can see a big decline in equity, and that's primarily the effect of the decline in DSV and DSV decline has been in two areas. One is the currency because it is in DKK and DKK depreciated against dollar and depreciated against KD. So, we have, part of that is related to the currency, and the other part is the decline in the stock price. The other thing that is worth mentioning is if you look at our assets now, almost one third of the assets is in Non-Controlled, and two-thirds is Controlled segment. And that is a function of the reduction in DSV stock price, but also it's due to the acquisition of Menzies, which increased our assets in the Controlled segment.

I think it's important to highlight the debt because the debt has increased significantly because of the acquisition. So, we try to break it down to give you visibility why the debt has gone up. So, you see on the right side. We had a net debt as of Q3 2021 of KD 305 million. You can see that the majority of the increase from KD 305 million to KD 795 million is primarily due to the acquisitions. And that you know, the Menzies, the HG Storage. We also had some capex spent and then some investment in working capital, predominantly in Tristar, and then we had KD 57 million spent in others.

But you can see that the main driver for the increase in net debt was the acquisitions that have been made over the past 12 months because that's compared to Q3 2021. On the left side, as I said, we have refinanced all our debt and I want to clarify that the picture on the left side, is the debt that we have at the corporate level, which is the majority of the debt. There are other debts at the subsidiary levels which are fenced to the subsidiary and are managed within the subsidiaries and do not have recourse to corporate.

Yes, we do consolidate the total debt, but that is predominantly on the subsidiaries level. The key debt that we have is at the corporate level, which is the KD 710 million. You can see that the debt profile is almost one third in Euro which attracts lower interest rate in today's environment, and two thirds in US dollars knowing also the assets that we have and the earning power that we have is coming from dollars and dollar related currencies. So we have two third in dollars. And, in terms of maturity, we have refinanced the entire debt and as you can see, almost one third will be due in 2025, one third in 2027 roughly, and one third in 2028. So, we are quite comfortable with the debt profile that we have today, despite, we're not very comfortable with the level of debt overall, and we're working actively to reduce it. But I think we are comfortable with the debt profile and the currency that we have as of today.

The cash flow is quite noisy because of the acquisitions and because of the deconsolidation last year. So, you know, there has been, as you can see, about KD 60 million in change in working capital. That was a negative movement. That is due to the recovery from Covid. So, the revenue levels have surged and hence also the net working capital increased. Also in Tristar, they had few projects that required some investment in net working capital and we believe it is well under control. So, that I think is what is worth mentioning here. The rest is probably accounting and the numbers are classified differently for accounting reasons. But overall I think you can look at the chart on the right and you can see that in the nine month, the majority of our investment, and CapEx has been invested in the Controlled business segment.

This is an overall slide that shows the different entities within the Controlled businesses and as you can see you, all the entities have been showing decent year over year growth. Tristar has phenomenal growth at 45%. Menzies year over year performance is 29% (. So this is NAS alone) very strong growth. ALP is 6% but we don't expect ALP to grow at a double digit number, it's a mature business. It's generating significant amount of cash flow so ALP and GCS are quite mature, and we don't expect them to grow at a double digit rate. But other main entities are growing at a significantly higher rate.

This is just a list of all the quoted and unquoted investments and what we have in the slide. So that's for your info, nothing to report. I mean, DSV is publicly listed company and you can see all the related information, so we don't want to repeat everything here. I think that's about it.

I'll take the questions and then maybe we can conclude after that.

Operator: Thank you. As a reminder, if you would like to ask a question today, please use Q&A chat box above the slides.

Ehab: Okay, so it doesn't seem to be like we have many questions, so I think we can conclude the call. Thank you very much.

Agility Earnings Call Presentation

Third Quarter and Nine Months 2022

November 2022

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Agenda

Agility

1. Business Update
2. Company Overview
3. Group Financial Performance
4. Q&A

Q3 Business Update

Focused on value investing and executing on our growth strategy for controlled businesses in established sectors

Key Events

- Completed the acquisition of John Menzies in August for an equity value of £571 million.

  The combined company will operate as **Menzies Aviation** and will be the world’s largest aviation services company by number of countries and second largest by number of airports served.

  Menzies Aviation will provide air cargo services, fuel services and ground services at airports on six continents.

  The new company will have approximately 35,000 employees and operations at 254 airports in 58 countries, handling 600k aircraft turns, 2 million tonnes of air cargo and 2.5 million fueling turns per year.

- **Tristar** completed the 51% acquisition of HG Storage International Limited (“**HGSI**”).

  HGSI is a joint venture between HNA and Glencore Group Funding Limited, a wholly owned subsidiary of Glencore Plc (“**Glencore**”)

  Through this deal, Tristar will acquire a majority holding in a well-diversified portfolio of oil storage, distribution and retail assets owned by HGSI, comprising 8 operating assets across 4 key regions: Europe, the Americas, Middle East and Africa.

  The transaction, valued at USD 215 million, will add in excess of 3 million cubic meters of fuel storage capacity to the Tristar portfolio and extend the company’s global presence to 29 countries across the globe.

Completed financing facility to fund future growth

Transaction Completion

Completion

Finalized the acquisition of 100% of UK-based John Menzies PLC on 4 August 2022 and combined the business with National Aviation Services (NAS). The combination will be operating as **Menzies Aviation** to create a world leader in aviation and unlock greater value together.

Accounting treatment

Menzies Aviation will now be part of Agility's controlled businesses.

This deal creates the largest owned and operated – "controlled" – business in Agility's portfolio by revenue, headcount, and global presence. On an annualized basis Menzies Aviation (the combined entity) is expected to contribute more than 40% of Agility's revenues and more than 35% of EBITDA.

Platform for growth

Create a business leader with scale and global reach to be a serious contender in the ground handling industry and position itself as a leading player globally.

Menzies aviation is focused on creating value through driving cost and commercial synergies and by building a competitive advantage through its brand name service offerings and geographic presence.

Today's aviation platform gives Agility the ability to create a strong growth platform for bolt-on or sizeable M&A . The Ground Handling sector is expected to witness a rebound in the medium to longer term.

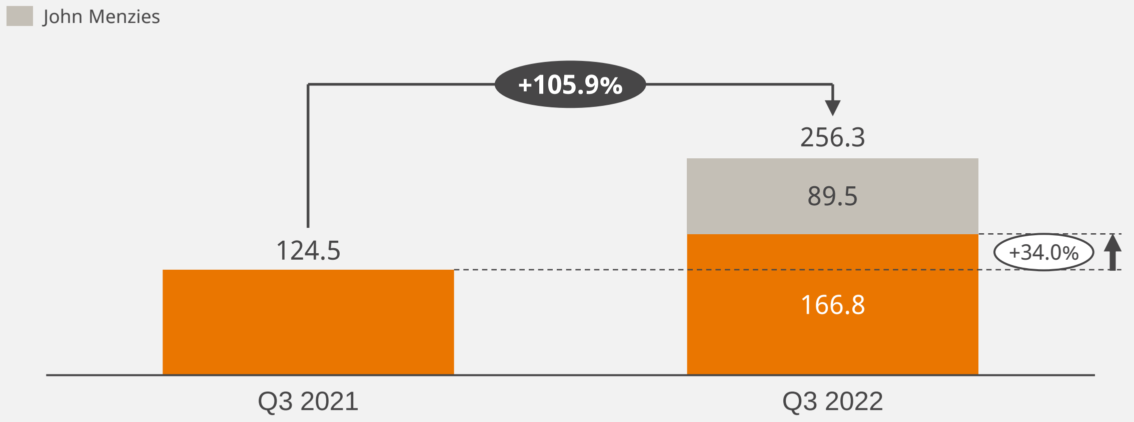
Group Financial Performance

Financial Highlights Q3 and 9M 2022

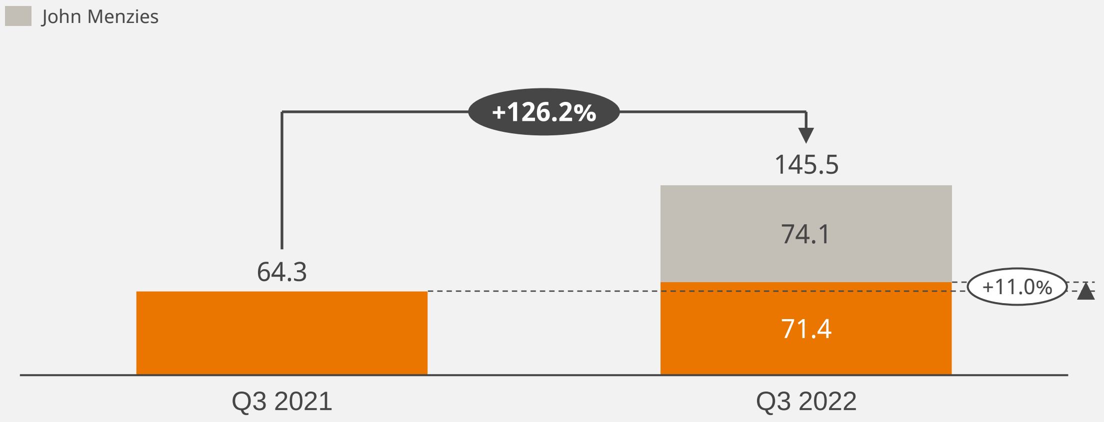
Agility Income Statement – Q3 2022 (KD Mln)

Healthy growth in organic and inorganic portfolio of businesses

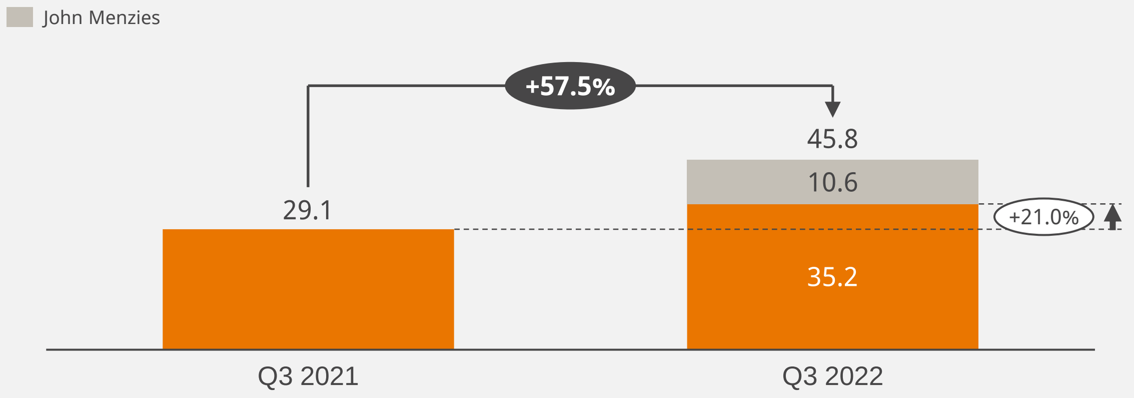
Revenue



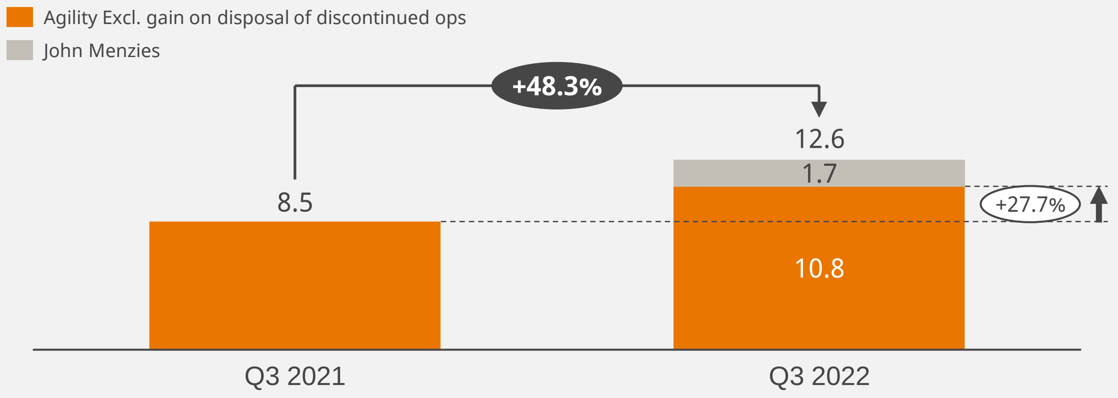
Net Revenue



EBITDA



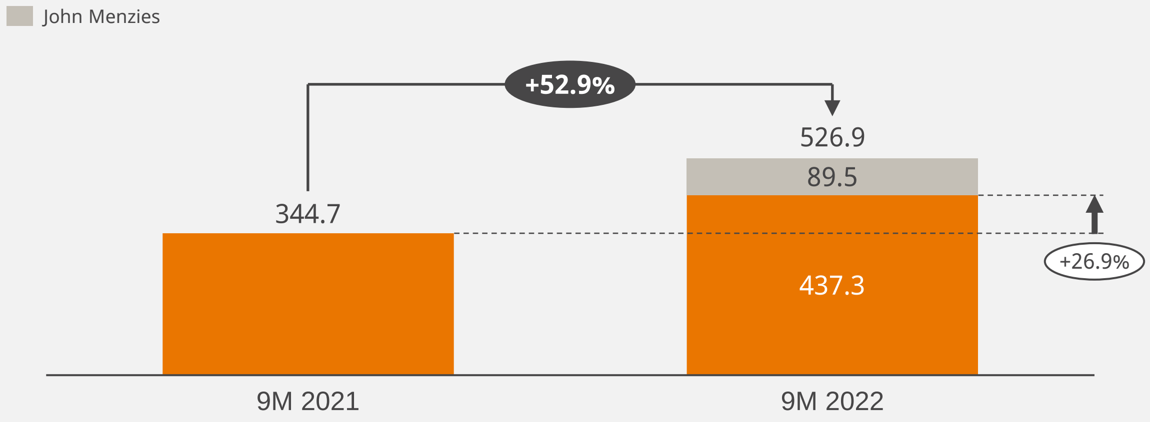
Net Profit



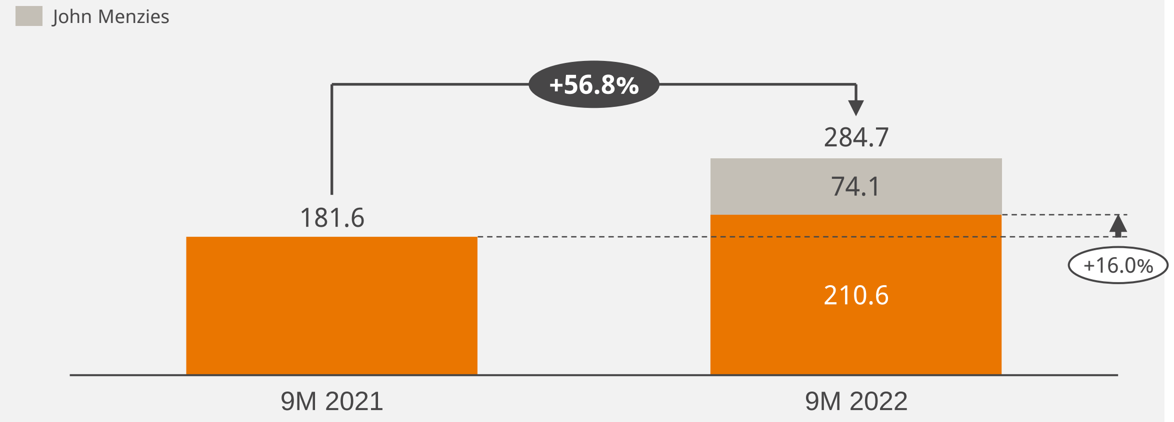
Agility Income Statement – 9M 2022 (KD Mln)

Solid performance and growth YTD across all businesses

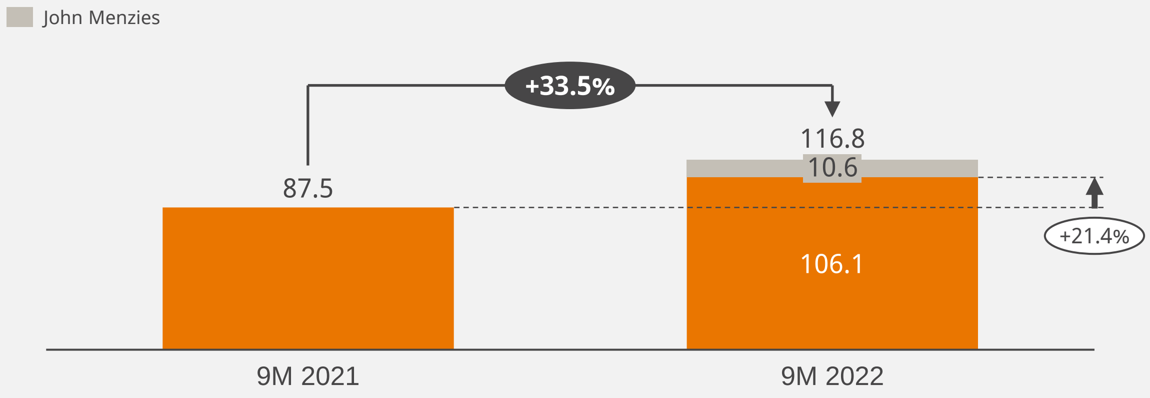
Revenue



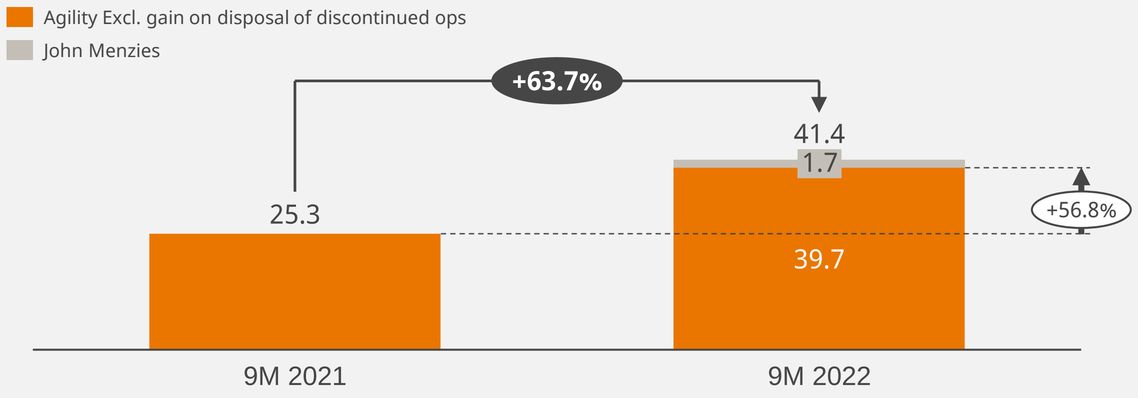
Net Revenue



EBITDA



Net Profit



A strong portfolio of controlled businesses and minority investments

We are actively managing our controlled businesses to deliver growth while being a long-term strategic investor in our minority investments targeting high-growth and returns

Controlled Businesses

LOGISTICS PARKS

Others

Mln KD	2019	2020	2021	9M 2022
Gross Revenue	455	398	486	526
EBITDA	135	93	125	123
EBITDA margin	*30%*	*23%*	*26%*	*23%*
EBIT	104	58	86	88
ND*	74	101	80	512
Lease Obligations	79	98	103	168

* ND doesn't include lease obligations

Investments (minority stake)

Listed

Non-Listed

Value of Quoted Investments (Q3 2022)	Value of Unquoted Investments (Q3 2022)	Total
KD 786 Mln	KD 376 Mln	KD 1.2 Bln
Less Debt		KD 283 Mln
NAV		**KD 879 Mln**

Agility Reported Income Statement - YTD

EBITDA reflects mostly the controlled businesses segments performance, and the investment segment is mainly accounted for as per IFRS9

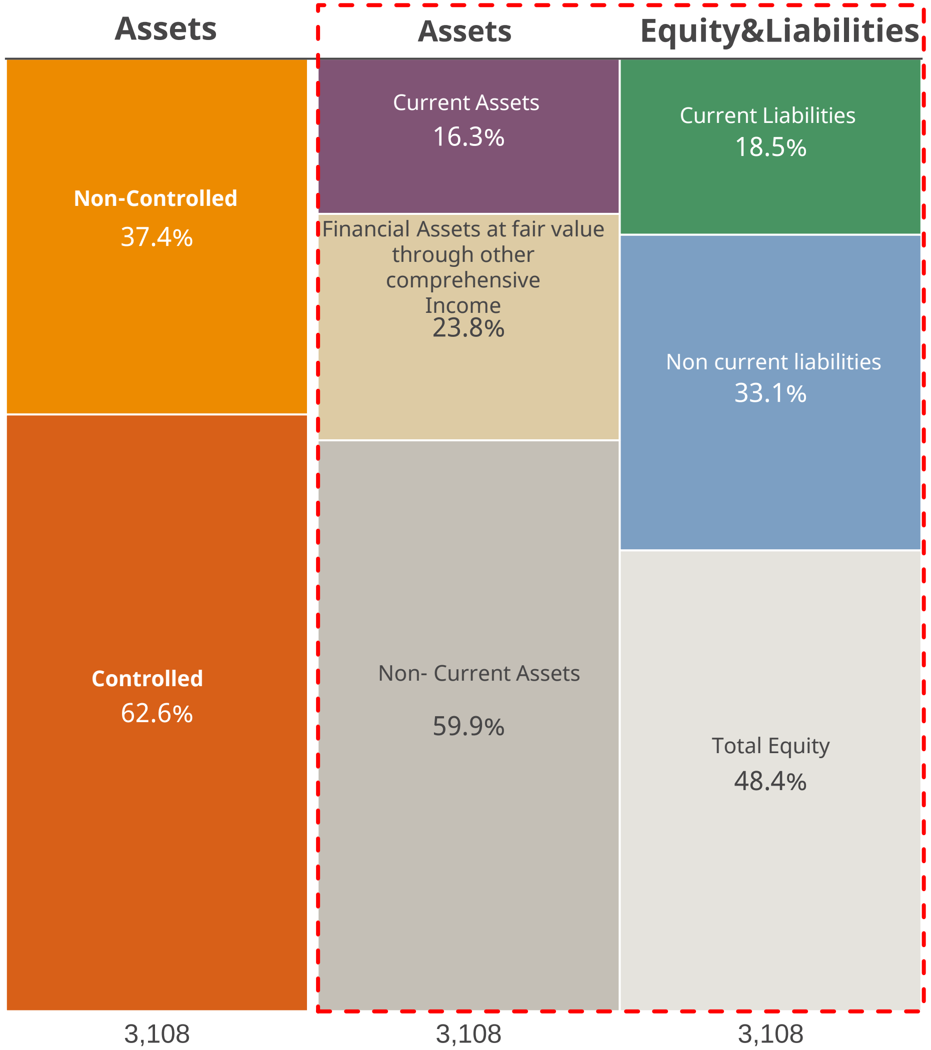
	Controlled			Investments			Consolidated		
KD Mln	9M 2022	9M 2021	%	9M 2022	9M 2021	%	9M 2022	9M 2021	%
Revenue	**526.9**	344.7	52.9%	**-**	-	-	**526.9**	344.7	52.9%
Net Revenue	**284.7**	181.6	56.8%	**-**	-	-	**284.7**	181.6	56.8%
EBITDA	**123.5**	97.8	26.2%	**(6.7)**	(10.3)	35%	**116.8**	87.5	33.5%
EBIT	**88.6**	70.0	26.6%	**(6.7)**	(10.3)	35%	**82.0**	59.7	37.3%

Balance Sheet (KD Mln)

Strong Asset and Equity base to support our future growth plan

Balance sheet	9M 2022	9M 2021	Variance	%
Current assets	506.7	288.0	*218.7*	*75.9%*
Non-Current assets	2,601.5	2,668.1	*(66.6)*	*(-2.5%)*
Total assets	**3,108.2**	**2,956.1**	*152.1*	*5.1%*
Current liabilities	574.2	366.7	*207.5*	*56.5%*
Non-current liabilities	1,030.1	489.2	*541.0*	*110.6%*
Total liabilities	**1,604.4**	**855.9**	*748.5*	*87.5%*
Equity attributable to equity holders of the Parent Company	**1,380.3**	**2,059.6**	**(679.3)**	**(33.%)**

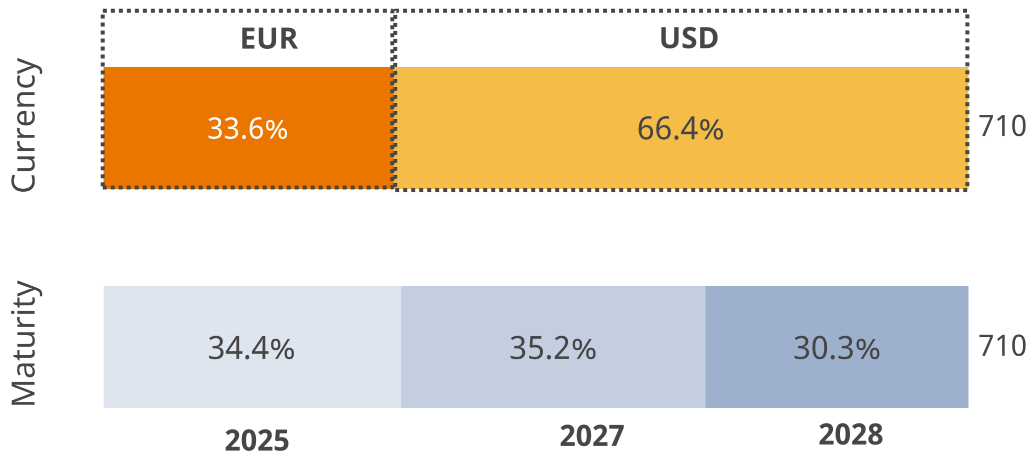
Balance Sheet reflects acquisitions undertaken in Q3



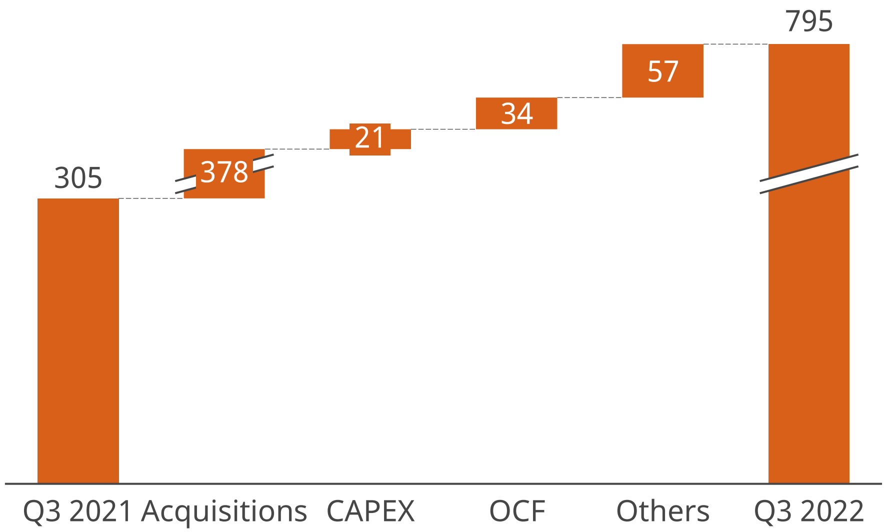
Liquidity Profile (KD Mln)

Refinanced and increased credit facilities with medium to long term maturities

Corporate Debt Profile



Group Net Debt Bridge



- Agility has refinanced and increased its credit facility through local, regional and international banks to fund its growth plans including the financing of the John Menzies plc acquisition.
- The maturity of Agility's corporate debt facilities range between 3 to 6 years, mostly with extension options.
- Agility over the years has maintained a low ND/EBITDA ratio.

Cash Flow Statement for Continuing Operations (In KD Millions)

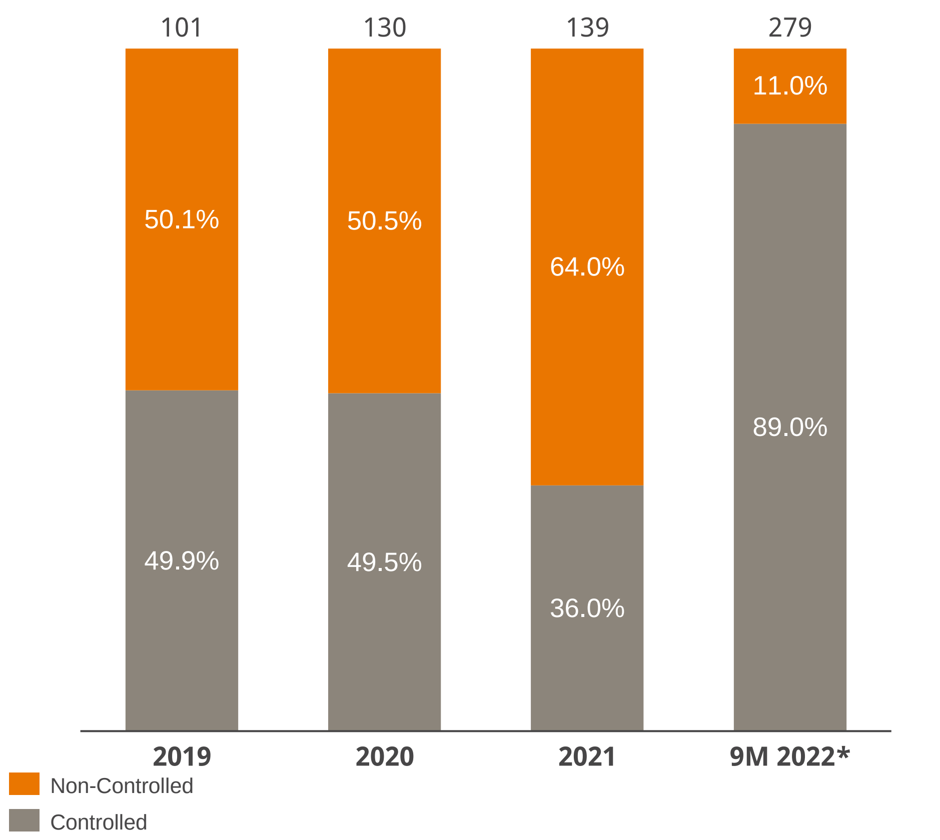
Agility has a healthy cash flow generation and will continue to reinvest in its businesses

Cash Flow Statement	9M 2022	9M 2021	Variance	%
Cash from Operating activities before changes in working capital	115.3	114.9	*0.4*	*0.4%*
Changes in working capital	(60.5)	(14.9)	*(45.6)*	*306.9%*
Other Items	(9.0)	(5.9)	*(3.1)*	*52%*
Net Cash flow from operating activities	**45.9**	**94.2**	*(48.3)*	*(51.3%)*
Net Organic Capex	(27.1)	(39.6)	*12.5*	*(31.6%)*
Net Investments*	(252.1)	(56.8)	*(195.4)*	*344.3%*
Others	20.5	0.3	*20.2*	*5895.3%*
Capex + Investments	**(279.2)**	**(96.4)**	*(182.9)*	*189.8%*
Free Cash Flow	**(233.4)**	**(2.2)**	***(231.2)***	***(10,527.1%)***

Financial Metrics

Conversion ratio (OCF/EBITDA)	39.3%	*107.7%*
Organic CAPEX as % of Revenue	5.1%	11.5%

Capex and Investment Allocation



* Investments & Acquisitions

*9M 2022 controlled capex includes HG Storage and John Menzies acquisition

Agility's Operating entities are delivering healthy growth YTD 2022

Menzies

+29%

revenue growth* Vs last year

Growth Drivers

Leveraging the strong network of the combined entity to create a business leader in the aviation industry with global reach

ALP

+6%

revenue growth Vs last year

Growth Drivers

Geographical expansion of our land portfolio and word-class warehousing services in the MEA

In addition to its existing operations, ALP has signed a 25 years agreement to develop a logistics park in Jeddah, and is currently developing the S2 project in Kuwait

Tristar

+45%

revenue growth Vs last year

Growth Drivers

Expansion of Tristar's shipping and fuel storage capacity

Its recent acquisition of HG storage will add in excess of 3 million cubic meters of fuel storage capacity to the Tristar portfolio and extend the company's global presence to 29 countries across the globe

GCS

+3%

revenue growth Vs last year

Growth Drivers

Geographical expansion of operations out of Kuwait & diversifying sources of income by introducing value-added services related to customs modernization

*Excludes acquisition

Non-Controlled Investments

Investments in businesses in growing sectors aimed at creating future value and optionality

Listed Investments

DSV

- World's top three freight forwarding company with more than 75,000+ people spread across 90+ countries.
- DSV A/S is listed on NASDAQ Copenhagen (Denmark) and included in the C25 index as one of the 25 most actively traded shares on the Copenhagen stock exchange.

GWC

- GWC is the leading provider of logistics and supply chain solutions in Qatar (3PL and 4PL).
- Established as a Qatari shareholding company in 2004 with 2,600+ employees; the company offers the full spectrum of high-quality solutions to a variety of industry verticals.

NREC

- Established in Kuwait in 1973, National Real Estate Company K.P.S.C. (NREC) is a listed real estate and investment company
- The company has a portfolio of real estate properties located in the Middle East and North Africa

SWVL

HYLIION

Non-Listed Investments

RM ريم مول Reem Mall

- GCC's first smart retail center, leisure and entertainment destination with over 2 million sq. ft. of leasable space
- Designed to enable retailers to tap into e-commerce and last mile logistics to streamline their businesses

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