Agility

20 May 2023

M/s Boursa Kuwait

Subject: Analyst Conference for the First Quarter 2023

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 Conference was held on Thursday, 18 May 2023 through a Live Webcast at 02:00 pm local time.

Please refer to the attachment for the minutes of the conference and the Investor presentation (Q1 2023).

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Agility Public Warehousing Company K.S.C.P.

Investors Relation Department

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 First Quarter 2023 earnings webcast. With me here today I have Mr. Ehab Aziz, Agility's Chief Financial Officer, and Agility's Investors Relation Team. Without further delay, I will now turn over the call to Soriana from Agility's Investors Relations Team.

Soriana: Thank you Sidharth and welcome everyone to Agility's Q1 2023 earnings webcast. Mr. Ehab Aziz, our group CFO, will be presenting to you Agility's financial results, and the major developments that happened during this quarter. For your questions, there's a chat box on your screen where you can type in your question anytime during the presentation, and we'll address it towards the end of the session. Now before we begin, I would like to draw your attention to the disclaimer available on the second page of this presentation. 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 it over to Ehab, thank you. Ehab, over to you.

Ehab: Thank you Soriana. Good afternoon everyone and welcome to Agility's earnings call for Q1 2023. We'll start the call with a short presentation to discuss the Q1 results and performance, and then we will get into Q&A as usual. Slide four has all the key news that happened through Q1. I think most of the news has been already addressed in the year end presentation. Nothing of a particular significance here. We continue to refinance and optimize our financing structure. We have done the collar that we announced, and we discussed during the year end presentation. On the legal front, as you know, we won an arbitration award against Korek and the shareholders of Korek, the Iraqi shareholders, and we are in the process of enforcing these judgments in multiple jurisdictions. So overall nothing material here other than what we have discussed in the year-end results.

In terms of the Q1 performance, slide six shows the key parameters of the performance. We had a very strong performance this quarter organically and inorganically. As you can see, the orange side of the bar here represents the organic, excluding the acquisitions. And then the grey is the impact of the acquisitions on the numbers. So, you can see that, organically, we grew revenues by about 16% and net revenue by almost 8%. EBITDA, healthy growth year over year, by 30% and net profit by about 60%. If you add the acquisitions of Menzies which was closed sometime in Q3 last year and HG Storage, then you get the significant result of revenue growing by 143%, net revenue 179%, 78% increase in EBITDA to KD 60 million and net profit, 20%. You notice that net profit from the acquisitions is insignificant, and this could be a little bit misleading because the allocation interest costs, which is becoming quite significant given the higher interest rates. So, I would focus more on the EBITDA to see the contribution of the acquisitions to the numbers. So overall, as I said, very strong, performance organically, but also inorganically.

When we look on the controlled side, which is basically the businesses that we manage, vs. the investments, and I want to remind you that the investments here do not include the movement in the share price of DSV as we explained in prior calls, as this gets classified through the equity. So, as you can see, the controlled businesses witnessed significant growth year-over-year. Of course, that includes the inorganic contribution from Menzies and HG Storage. So overall, we are very pleased about the progress that we have been able to make on the controlled business side. We have been working really hard to reposition the company over the last two - three years, you know, the deal of selling GIL to DSV was a transformational moment for the company but that was also followed, by in less than a year by another major acquisition of Menzies. We saw the controlled side of business shrank after the GIL sale to DSV, and also our geographic profile and strategic profile has also shrunk as we became a regional player. And now I think we are back to becoming a global operating player, as well as we are very pleased with the results that we are seeing and will continue to see in the controlled business.

We look at the balance sheet, it's a reflection of the current structure of the company. In terms of the split of total assets - the KD 3.6 billion- almost 53% of it is attributed to the controlled business and 47% is attributed to the Investments. And I think the importance of why we are splitting the numbers into Investments and Controlled entities is, because today, you cannot look at the value of the company like before, just by looking at the operating results because the operating results do not reflect the full value. As you can see here, 47% of the assets are in Investments and most of the movements in that Investment side do not go through the P&L, but rather go through the equity. So, we are trying to give a clear picture, as much as possible, from where the value of the company is being driven. We split the P&L as much as we can, and also the balance sheet, and as we have shown you during the year-end results, there was a slide that gives our best estimate of what is the net asset value of the investment side, to have a clearer picture on the company's value so you can make your own judgment on the valuation, etc. So, strong asset base, still strong equity. You can see that the change in equity year over year is not as significant as the change in the assets and the liabilities. And as you know during Q1 2022, the Fed started raising interest rates and the war in Ukraine started, both resulted in a negative impact on the stock markets. And as a result, DSV share price also went down with the market, and that had a big impact on our equity given the size of DSV. The stock price continued, as you probably know, to go down with the market but recovered towards Q4 and Q1 this year. So, we're almost back to the same levels of Q1 2022 and hence in our equity value you don't see as significant change. So, again, the significant part in our equity today that creates the most volatility is the change in the DSV price.

Given the current interest rate environment and the significance of the debt on our balance sheet, this slide gives you flavor of the composition of the debt by currency and by maturity. And there is also the bridge that shows where the increase of KD 436 million in group net debt came from Q1 2022 to Q1 2023 came from.

So in terms of the currency, you can see we have 60% of our debt in dollars or almost two thirds in Dollars and one third in Euro. And mind you, this is Group Corporate gross debt profile which stands at KD 777 million, which is the majority of the Group's consolidated debt. And you can see, two-third in Dollar related currencies including KD. And then one third Euros. We have done some diversification this quarter, actually this month, and tried to change that mix a little bit, which will get reflected in Q2 numbers. We reduced the debt in US dollars, which is a little bit costly, by using the proceeds that we got from the collar, which was in Euro to close the US Dollar. So, you will see in the next quarter a different mix that is more balanced between the US dollar and the Euro. As you can see, for the maturity, I think we are relatively in a good position with the maturity profile and we continue to work very collaboratively with our banking group, which have been extremely supportive to continue to optimize our debt structure and find ways to benefit the company as well as the banks that work with us. We have established a long relationship with these banks. They are local Kuwaiti banks, regional banks, as well as international banks. And I think we have a very good group of banks that are extremely supportive for the group and its management. On the right side, you can see the bridge again. So, where the money has been spent over the last 12 months, and you can see we had a very strong operating cash flows generated during the last 12 months, but then a significant part of that was consumed plus the debt capacity in the acquisitions, mainly Menzies and the HG Storage. Also, we spent part in CapEx and the dividends, about KD 58 million last year paid in dividends. And then there are multiple of things on the investment. So predominantly where the money has been spent and thus the net debt increase, was to finance the acquisitions that we have made. So, KD 436 million increase out of which KD 385 million were spent on acquisition.

Again, this is a picture of the cash flow. You can see that the operating cash flow for the quarter is strong and is actually higher than the same quarter last year. And even the net cash flow, the free cash flow for the quarter, is slightly positive. I want to remind you that in 2015 when we started our investment program to transform the company, we started moving into a net debt position from a net cash position. Prior to 2015, we had a net cash position and given the significant amount of CapEx required, as you can see some of it on the right-hand side – CapEx here is displayed between Investments and Controlled - the amounts have been significant over the past several years. Today, we started to see some strong operating cash flow as well as a free cash flow. And I think as we continue to progress over the next several years, the amount of free cash flow should start to increase as the CapEx and the investment program started to phase out. I mean, we'll continue to invest, but not necessarily at the same levels that we had in prior years.

Again, this is summary slide of the key segments that we have, and you can see we are growing significantly in the aviation that's driven by the acquisition plus also the legacy NAS grew organically. But this 816% growth is mainly driven, and revenues is driven by the acquisition and the size of it. Fuel logistics, Tristar, continue to perform extremely well organically, but also the inorganic acquisition of HG Storage helped improve their revenue as well as their EBITDA. The right side, the other Controlled Businesses, have also continued to grow at a double-digit for revenue and about 10% EBITDA from same period last year. I think that's my last slide. We'll try to address some questions and then conclude.

I don't see any questions in the queue. And I guess we can then conclude the call for the day. Thank you.

Agility Earnings Call Presentation

First Quarter 2023

May 2023

Agility

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Agenda

1. Q1 2023 Business Update
2. Group Financial Performance
3. Q&A

Q1 2023 Business Update

Focused on value investing for the long-term and executing on our growth strategy despite the challenges

Key Events

Major News:

- Agility has entered into a joint venture "Yanmu" to develop, build and operate modern logistics parks and Grade A warehousing facilities in Egypt. The first park is Yanmu East Park, a 270,000 SQM site, located on the new Cairo Suez road, this park will open in August 2023. A second park, Yanmu West Park, is planned to launch in 2024.

- Given the continued market uncertainty and the significance of the DSV stake on Agility's overall value, Agility has signed a multi-year funded equity collar agreements, with a number of banks. The purpose of this hedging transaction is to protect the value of the investment and shareholders' value. This transaction concerns up to 7.5 million shares of the total shares owned by Agility in DSV.

- Agility through its subsidiary – PWC - has signed a Convertible Loan Agreement with UPAC, the co-investor in Reem mall in Abu Dhabi, for a total amount up to KD 125 million. This agreement, which is still subject to the approvals of the relevant authorities, will give the lender the option to capitalize the debt into new ordinary shares in UPAC's capital in accordance with the laws and regulations issued in this regard

- Agility is continuing with its refinancing program and closed 2 facilities in the first quarter to reach $3.075 billion of credit facilities.

Legal Dispute:

- Agility continues to face some uncertainty related to some of the land contracts leased from the Public Authority for Industry, Agility believes its contracts have been legally renewed and has filed several legal cases. Agility will continue to pursue those claims to protect its rights and the rights of its shareholders.

- Agility has won an arbitration award related to Korek investment, where the Tribunal ordered that the Respondents, jointly and severally, pay IH and IT Ltd. a combined amount of US 1.65 billion in damages and legal costs, together with interest. The company is now seeking to enforce this award

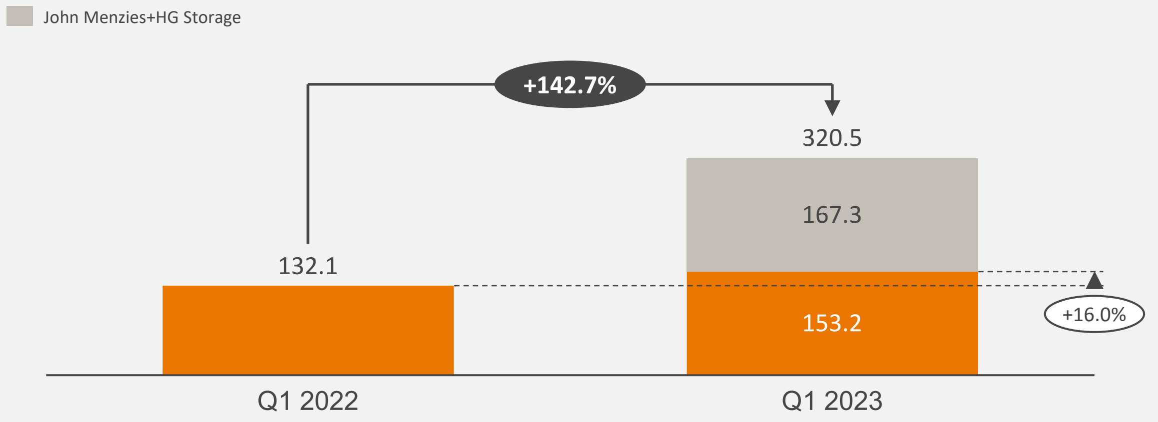
Group Financial Performance

Financial Highlights Q1 2023

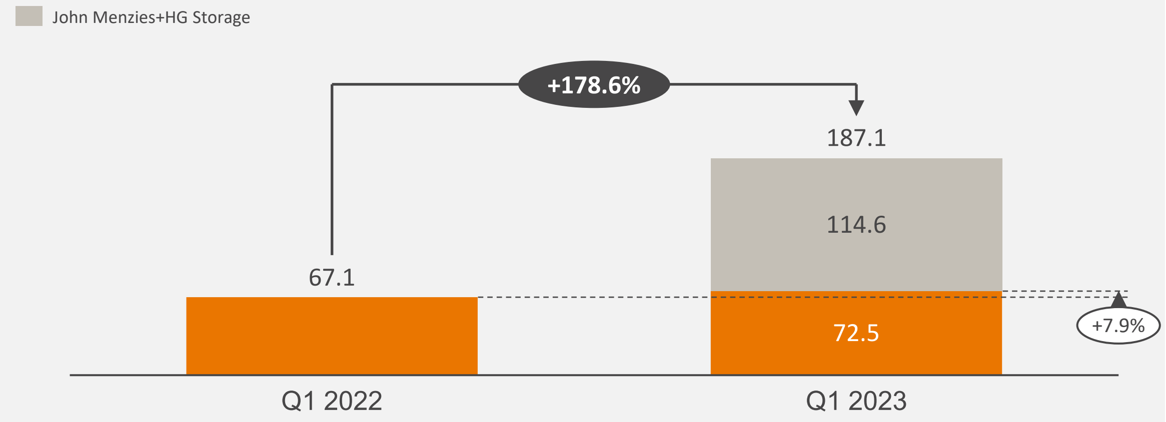
Agility Income Statement – Q1 2023 (KD Mln)

Solid performance and growth across all businesses

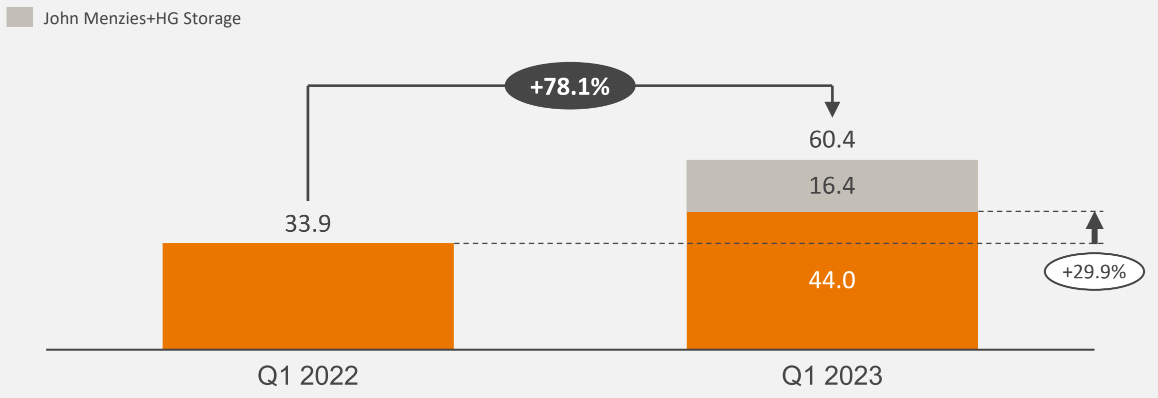
Revenue



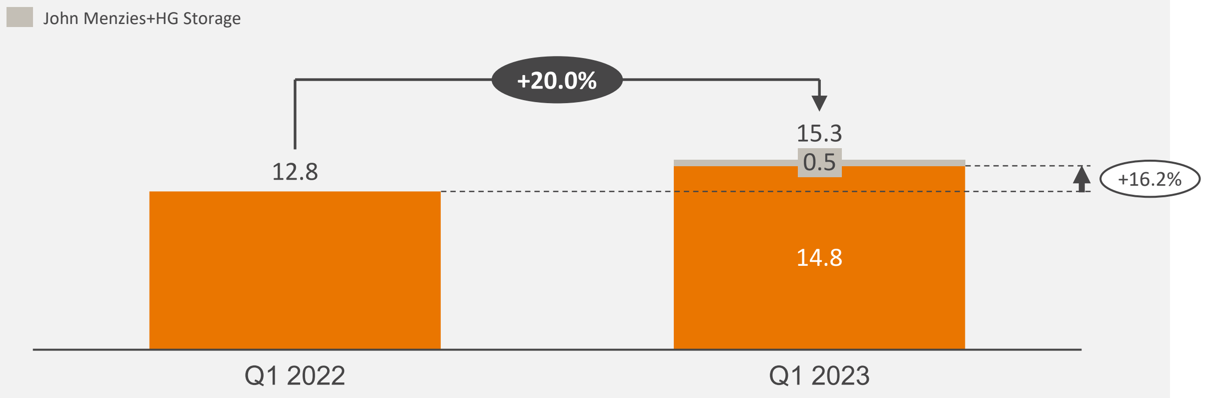
Net Revenue



EBITDA



Net Profit



Agility Reported Income Statement – Q1 2023

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

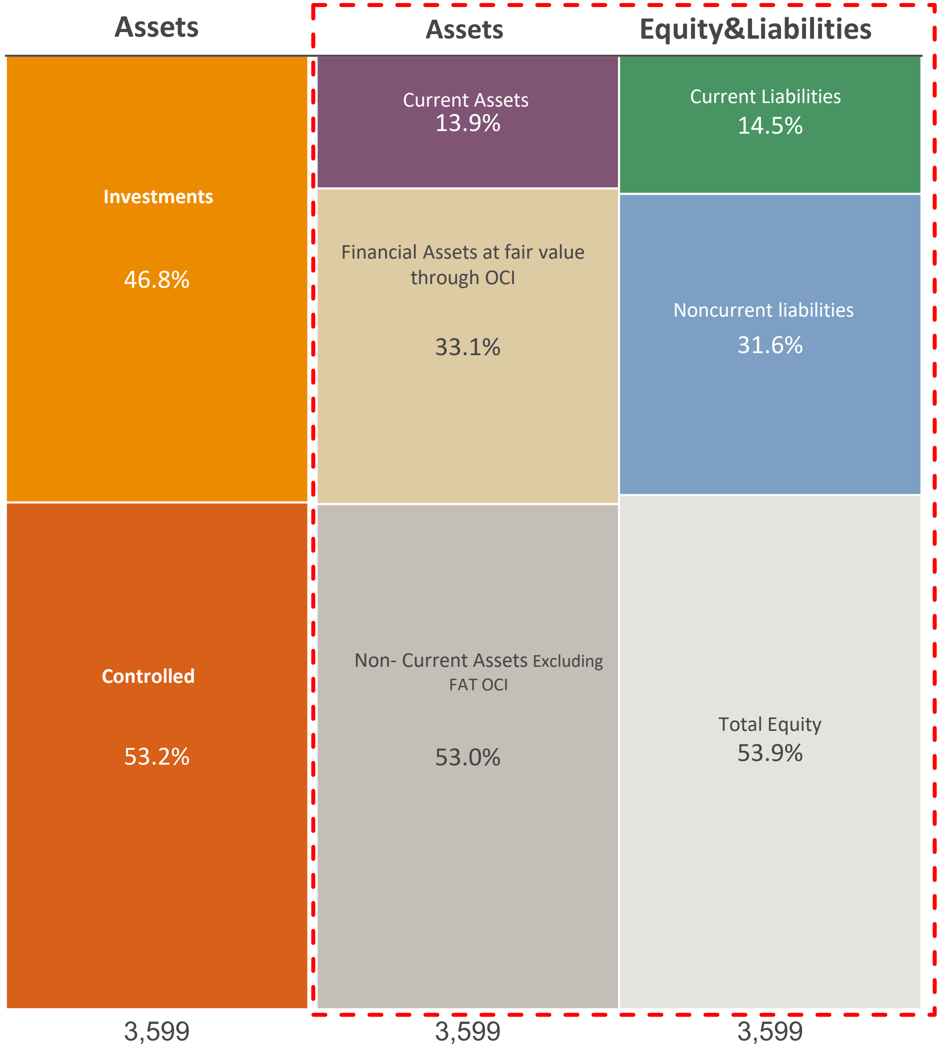
KD Mln	Controlled			Investments			Consolidated		
	Q1 2023	Q1 2022	%	Q1 2023	Q1 2022	%	Q1 2023	Q1 2022	%
Revenue	**320.5**	132.1	143%	**-**	-	-	**320.5**	132.1	143%
Net Revenue	**187.1**	67.1	179%	**-**	-	-	**187.1**	67.1	179%
EBITDA	**56.8**	36.6	55%	**3.6**	**(2.7)**	231%	**60.4**	33.9	78%
EBIT	**35.2**	27.3	29%	**3.6**	**(2.7)**	231%	**38.8**	24.6	58%

Balance Sheet (KD Mln)

Strong Asset and Equity base to support our future growth plan

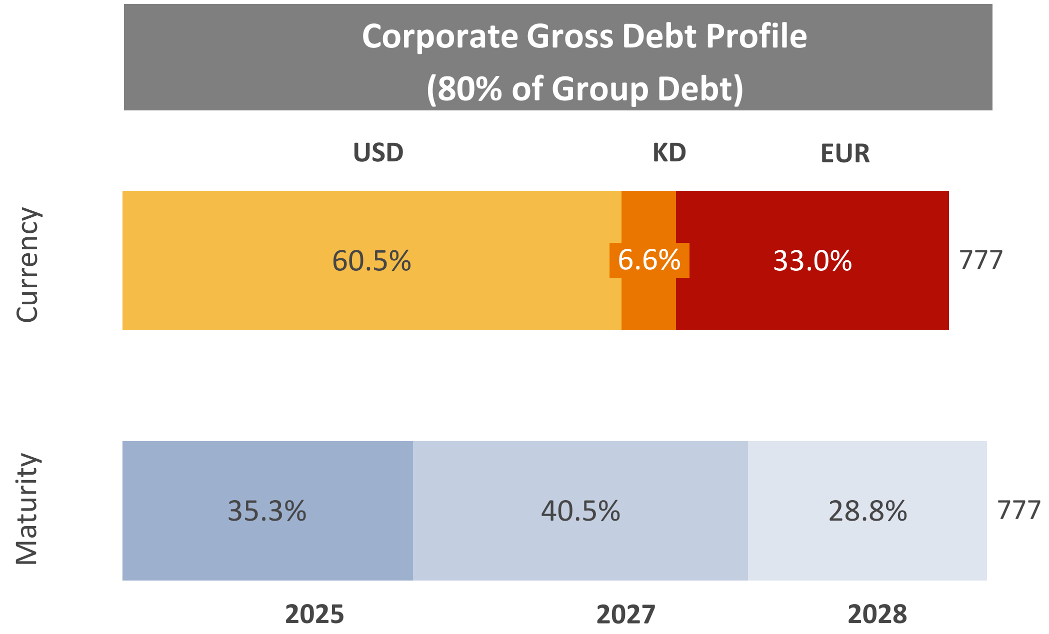
Balance sheet	Mar 2023	Mar 2022	Variance	%
Current assets	501.1	309.6	*191*	*62%*
Non-Current assets	3,097.9	2,471.7	*626*	*25%*
Total assets	**3,599.0**	**2,781.3**	***818***	***29%***
Current liabilities	520.6	356.1	*164*	*46%*
Non-current liabilities	1,137.5	562.1	*575*	*102%*
Total liabilities	**1,658.1**	**918.3**	***740***	***81%***
Equity attributable to equity holders of the Parent Company	**1,818.4**	**1,811.4**	**7**	**0%**

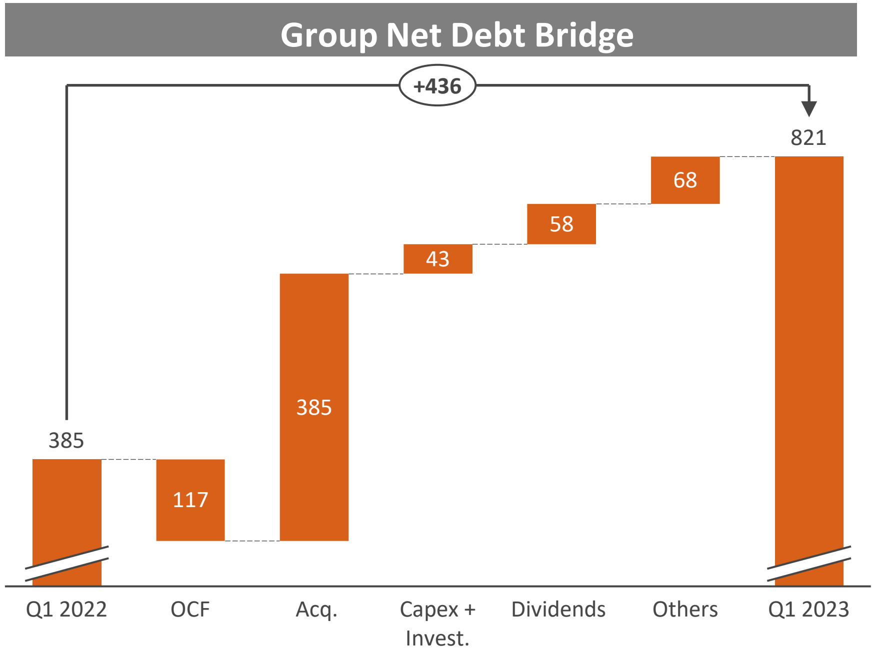
- Menzies and HG Storage assets are included in the controlled segment and DSV is part of the Investment segment



Debt Profile (KD Mln)

Refinanced and increased credit facilities with medium to long term maturities





- 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 at the discretion of the banks.

Cash Flow Statement (KD Mln)

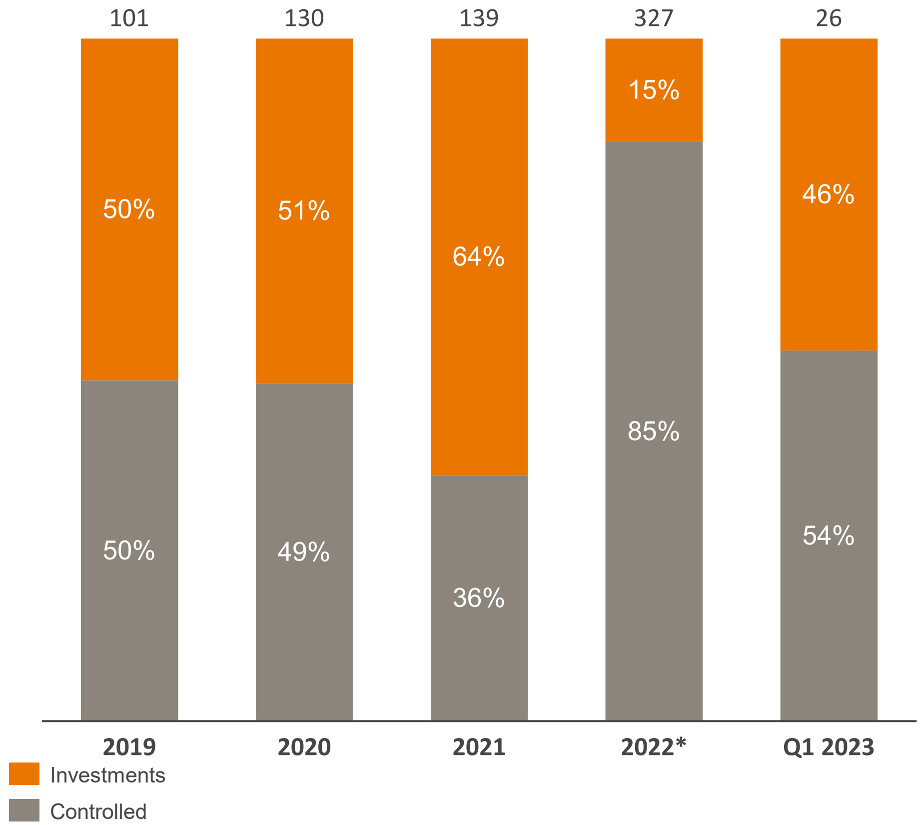
Agility has a healthy cash flow generation and will continue to reinvest in its businesses

Cash Flow Statement	Q1 2023	Q1 2022	Variance	%
Cash from Operating activities before changes in working capital	57.7	37.3	*20.4*	*54.7%*
Changes in working capital	-12.2	-12.4	*0.2*	*1.3%*
Other Items	-5.6	-2.2	*-3.4*	*-155.9%*
Net Cash flow from operating activities	**39.8**	**22.7**	*17.1*	*75.5%*
Net Organic Capex	-14.2	-10.3	*-3.9*	*38.1%*
Net Investments*	-12.0	-59.8	*47.8*	*-79.9%*
Net Movement in deposits	-10.3	-8.2	*-2.1*	*26.3%*
Net Cash flow from investing activities	**-36.6**	**-78.3**	*41.7*	*-53.3%*
Free Cash Flow	**3.2**	**-55.6**	*216.8*	*389.8%*

Financial Metrics

Financial Metrics	Q1 2023	Q1 2022
Conversion ratio (OCF/EBITDA)	65.95%	66.94%
Organic CAPEX as % of Revenue	4.44%	7.81%

Capex and Investment Allocation



* Investments & Acquisitions

* 2022 controlled capex includes HG Storage and John Menzies acquisition

Agility's Operating entities delivering healthy growth Q1 2023

Aviation Services

+816% revenue growth Vs Q1 last year

+282% EBITDA growth Vs Q1 last year

Growth Drivers

The Menzies acquisition has given Agility the ability to leverage this business for future growth.
In the first quarter of 2023, this group witnesses a broader underlying recovery in aviation volumes which resulted in an increase in the ground handling and fueling volumes, offsetting declines in cargo volumes and revenue.

Fuel Logistics

+85% revenue growth Vs Q1 last year

+29% EBITDA growth Vs Q1 last year

Growth Drivers

Tristar's performance is mainly driven by the growth in the Maritime and Fuel Farms segments which can be attributed to the addition of HG Storage International which was acquired in August 2022 and the renewal of two large long-term peacekeeping contracts with the UN and the booming of maritime business.

Other Controlled Businesses

+17% revenue growth Vs Q1 last year

+10% EBITDA growth Vs Q1 last year

Growth Drivers

The main contributors to this group were:

- ALP reported 10% revenue growth. ALP is continuing to pursue its growth strategy by increasing and optimizing its existing land bank, developing new projects, and looking to acquire additional land, especially in the Middle East and Africa. ALP Kuwait still faces a challenge related to some of the lands leased from the government.
- UPAC posted a 14% increase in revenue. The increase was primarily attributable to a rebound in airport-related services and parking, following the reopening of Kuwait International Airport and the removal of COVID restrictions, as well as the Hala-Feb holiday season, which boosted passenger volume and UPAC revenue.
- GCS revenue grew 12% vs. the same period in 2022. GCS is focused on delivering optimal efficiency and services to its customers.

Q&A Session