



Board Report

Dear Shareholders,

We would like to welcome you to our annual meeting of the General assembly for Agility presenting our annual report, in which we discuss Agility's financial performance and operational achievements for the financial year ended December 31, 2022.

[Agility](#), a long-term investor and operator in supply chain services, infrastructure, and innovation, today reported full-year 2022 earnings of KD 68 million, or 26.83 fils per share, an increase of 180.7% over the same period in 2021, excluding results from its Global Integrated Logistics (GIL) unit, which was sold in 2021. Agility's EBITDA increased 65.7% to KD 180.5 million and revenue grew 77.6% to KD 863.4 million.

The results include: five months of performance from Menzies Aviation, acquired by Agility in 2022; four months of performance by HG Storage International, acquired by Agility's Tristar Business in 2022.

On a like-for-like basis -- excluding Menzies and HG Storage performance, and GIL results -- Agility earnings rose 153.5% from 2021. Agility's EBITDA increased 44.1% to KD 157 million, and revenue grew 21.2%.

For continuing operations, Agility's Q4 2022 earnings were KD 26.6 million, an increase of 4,218%. EBITDA was KD 63.8 million, an increase of 196.7%; revenue was KD 336.5 million, an increase of 137.8%.

2022 in Review

Agility had a strong 2022, marked by two major acquisitions that are reshaping the company and creating new opportunities. But like all businesses, we face global economic uncertainty in 2023, as well as uncertainty regarding government land lease policy in Kuwait.

It's important to emphasize that we take a long-term view in value creation. When it comes to our controlled businesses, Agility's acquisition of Menzies and Tristar's acquisition of HG Storage helped us accelerate growth, expand our geographic reach, and increase our exposure to sectors that have strong future growth potential. On the investments side, stock market volatility affected our holdings, but we look beyond daily share price movements to the strategic value, growth and returns we believe our investments will deliver for our shareholder over the long-term.

Today, Agility is diversified geographically, operationally, and financially, which helps us reduce the dependency on one country, sector or asset. Our controlled businesses employ a workforce of 45,000 people, who operate on six continents.

Ultimately, we're a different business today than we were even two years ago – and we continue to evolve, grow, and drive value for our shareholders, customers, employees, and communities we operate in.

Dividend Recommendation

As a result of the uncertainty related to public sector policy with respect to land use and the role of the private sector in the economy, the Board of Directors has recommended no dividend distributions for the year 2022. This recommendation is subject to the approval of the AGM.



The Board shall monitor events and assess developments related to public sector policy closely and will accordingly assess the viability of distributing interim quarterly dividends during the fiscal year 2023.

Agility Controlled Businesses

Agility's controlled businesses are the businesses the company controls and operates and whose performance is consolidated and reported through Agility's profit and loss statement. For full year 2022, our controlled businesses collectively reported EBITDA of around KD 195.1 million and revenue of KD 863.4 million, increases of 57% and 77.6%, respectively, over 2021.

The performance of this segment will be reported under three groups, Aviation Services, Fuel Logistics, and Other Controlled Businesses, which include Agility Logistics Parks, UPAC, GCS and others.

Aviation Services

Agility acquired Menzies in August 2022 and consolidated it with National Aviation Services (NAS), Agility's legacy ground handling business. The acquisition expanded Agility's geographical presence, which was reduced after the 2021 sale of GIL. The Menzies acquisition has given Agility the ability to leverage this business for future growth. The integration process of NAS within the Menzies organization is nearing completion. The process has been straightforward due to the fact that the two businesses complement one another's geographic footprint and operations.

In aviation services, Agility reported in 2022 an EBITDA of KD 41.5 million and revenue of KD 294 million, a number that includes full-year performance of NAS plus five months of Menzies' results.

The post-COVID revival of air traffic – in passenger and cargo volumes – led to growth in ground handling in 2022. The recovery was slightly offset by a reduction in revenue from COVID-related services provided mainly in Kuwait. The overall recovery was strongest in increased passenger flights across the Americas. Notably, cargo volumes began to slow toward the end of 2022.

Fuel Logistics

Tristar revenue for 2022 grew by 60.1% to KD 252.9 million vs.2021; EBITDA increased by 39% to KD 53.1 million, compared with 2021. Tristar's Maritime and Fuel Farms segments delivered the highest growth. The drivers of Tristar's 2022 performance were its recent acquisition of a 51% stake in HG Storage International, finalized at the end of August; successful renewal of two large long-term peacekeeping contracts, making Tristar the UN's top supplier (as listed on the UN procurement website); and the booming maritime business. In 2023, Tristar is focused on growing and deepening its relationship with blue-chip clients. Its balanced portfolio has positioned it for long-term sustainable value to shareholders.

Other Controlled Businesses

For the full year of 2022, this group reported EBITDA of KD 100.4 million and revenue of KD 316.6 million, increases of 42.3% and 14.4%, respectively, over 2021.

The main contributors to this group were:

Agility Logistics Parks (ALP). ALP reported 10% revenue growth for 2022. ALP Kuwait performed well but faces a challenge to future operations on existing properties. Agility continues to manage those properties and is working to develop more than 1.2 million SQM of additional land as industrial and storage complexes in Sabah Al Ahmed City area in southern Kuwait. Elsewhere, 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. In 2022, ALP announced an agreement with Saudi Arabia's State Properties General Administration (SPGA) to build a large logistics park for storage and distribution on a 576,760 SQM parcel near Jeddah. In 2023, ALP has expanded operations into Egypt, where it will develop, build and operate modern logistics parks and Grade A warehousing facilities in partnership with Hassan Allam Utilities. ALP also announced the availability of specialized data centers campuses within several of its existing parks.

United Projects for Aviation Services Company (UPAC). UPAC reported a 28.2% increase in revenue for 2022 compared with 2021. The increase was primarily due to a rebound in airport-related services and parking, following the reopening of Kuwait International Airport and lifting of COVID restrictions. UPAC expects to benefit from increases in daily flights and passenger volumes in 2023 and beyond.

UPAC is a co-investor in Abu Dhabi's \$1.3 billion Reem Mall on Reem Island. The mall officially opened to the public on Feb. 16, 2023, with about 45 units operating. UPAC expects a gradual opening by more tenants over the coming months. The mall is the region's first, fully integrated omni-channel retail ecosystem with digital, e-commerce, and logistics capabilities. It brings together all consumer and retail services to ensure a seamless customer experience.

Global Clearinghouse Systems (GCS). At GCS, Agility's customs-modernization company, 2022 revenue grew 4% in 2022. GCS is focused on delivering optimal efficiencies and services to its customers.

Agility's Investments

Agility holds non-controlling minority stakes in a number of businesses, both listed and non-listed. For 2022, the carrying value of those stakes was roughly KD 1.4 billion vs. KD 1.8 billion in 2021. The decrease is the result of broad declines in global equity markets. Global markets have been volatile amid increases in interest rates, as well as supply chain disruption. However, as a long-term investor, Agility is focused on investing in sectors it believes will drive value and in companies with strong management that have showcased the ability to generate value. We started with an investment of around 8% ownership in DSV - now it is 8.8% (as a result of DSV recent shares cancellation) – a company listed on the NASDAQ Copenhagen with a total market cap of around KD 13 billion as of 30/03/2023. DSV is the biggest investment in this segment, and it is reported through equity using IFRS9 where only the dividends are accounted for in our income statement in FY 2022. If we look at Agility's "share" of DSV's profit, this would be equivalent to around KD 70 million.

Finally, Agility remains committed to driving shareholders' value and achieving its vision. As always, we thank our employees, our customers, our shareholders, our suppliers and our partners for their support – this year more than ever.