20 August, 2023

M/s Boursa Kuwait

<u>Subject: Analyst/ Investor Conference for the second Quarter of 2023</u>

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 August 2023.

Please refer to the attachment for the minutes of the conference and the Investor presentation.

Best Regards,

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 Second 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. I would like to welcome everyone to Agility's second quarter 2023 earnings webcast. As usual, Mr. Ehab Aziz, our group CFO, will be presenting to you Agility's financial results, and the major developments that happened during this quarter. 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: Good afternoon, everyone, and welcome to the second quarter analyst call. We will start as usual with the business updates for Q2 and then we will go through the group financial performance. And then we'll address the Q&A that has been posted on the platform.

For this quarter we had three main highlights. On the business side we entered into a multi-year funded equity collar. The main purpose of which is to hedge our stake in DSV, which as you probably know, is a significant part of our assets and represents a significant part of our equity as well. The markets have been volatile over the past 18 months, and today the market presented a good opportunity to hedge at reasonable levels. We took advantage of that and hedged a big chunk of our position. Now about 14 million shares, out of the 19.3 million shares have been hedged, and we believe that's a reasonable level, given where we are and given the exposure to the stock. However, I want to reiterate that we are still very bullish on DSV, and its management and we believe they will ultimately be the winners. There has been a lot of volatility in the freight forwarding market, but DSV has proven, by the results over the last quarter and the quarter before, that they have been extremely resilient. They took appropriate measures to offset the decline in volume, margins and freight rates and we still believe that the story has a long way to go. That said, and as we have reiterated in our announcement, the single stock exposure that we have in DSV relative to our size, required us and out of prudence to hedge the position. So we haven't sold any shares, we haven't reduced any of our stake. But we have been protecting ourselves and while maintaining the upside.

We have also issued our sustainability report this quarter. The legal dispute in Kuwait continues and that's definitely a concerning issue for us, we have been doing our best to mitigate the impact through diversification over the past several years, also, we are taking all legal steps to protect the rights of our shareholders.

For the Q2, you can see that this quarter has been, I would say relatively muted quarter if you take out the impact of the acquisitions of John Menzies and HG Storage which we have done in Q3/Q4 of 2022 and the impact of which is definitely significant. So, you can see on an organic basis, we have high single digit revenue growth, high single digit EBITDA growth. If you're factoring the acquisitions, definitely the improvement is quite significant, 137% increase in revenue, 177% in net revenue and 63% in EBITDA. You can notice that the net profit has declined, and that's primarily due to the increase in interest cost.

So, one other strategic aspect of the funded collar that we have done is to obtain a relatively cheaper financing and payback the debt that we have, which we have done, and the benefit of that funded collar will start showing in the coming quarters in Q3, Q4 and onwards, where you will see a reduction in the interest expense. I want to clarify on thing, that almost two thirds of the increase in interest expense is due to the increase in interest rates, and one third is due to the increase in debt. If you remember when we acquired Menzies, we funded the acquisition through debt. We did not sell any shares of DSV, and we did not liquidate any of our assets to fund this acquisition. We basically took a debt, so the leverage went up significantly. And as a result of the increase in the level of debt, interest cost has also increased, but that represents only one third of the increase in interest, and two thirds came from the significant increase in interest rates, which we have all seen over the past year or so. So going forward, we believe that this should be reduced because of the funded collar and the level of commercial debt will significantly be reduced in Q3 when the second tranche of the funded collar gets reflected on the financials.

In terms of H1, it’s almost the same picture as Q2, so I would say both quarters have been quite consistent. Again, a double digit increase in revenue at 12% and about 19% increase in EBITDA. But when you factor the acquisition, it's a significant increase. I would like to remind you that all the movement in DSV stock price, except for the dividends amount that was reflected in Q1 when we received it, everything else is going through the equity and doesn't get reflected into our P&L.

The next slide we started presenting after we disposed or exchanged our stake in GIL for a stake in DSV. We classify our business under 2 segments what we call Controlled entities and Investments, and you can see the significant growth in the Controlled segment, that's basically the businesses we run. We manage the cash flow for the investments and we have a slide later that shows all the list of investments, mainly DSV stake plus other relatively smaller investments.

So the Controlled business has been growing significantly and we are, despite the challenging environment on multiple fronts, feel proud that we managed to reshuffle our portfolio at such a time, during covid and then disposal of GIL or basically exchanging all GIL stake with a much stronger platform, which is DSV. Yes, it's a smaller stake, but it's a much more valuable stake, and we're very proud of that. As result of that transaction, we became a regional company, and then it took us less than a year to regain our position as-a global player in the infrastructure space.

So, the numbers on the Controlled entities growing significantly. Revenues, as you can see, going from KD 270 million to KD 650 million, net revenue from KD 139 million to KD

387 million and EBITDA from KD 76 million to KD 118 million. So, a significant improvement in the Controlled segment.

On the Investment segment as we said, we are managing that very diligently and we did the hedge, the funded collar, which I think would protect the stake of DSV and give some comfort or a minimum level of comfort on the value of that stake while maintaining the upside. In addition to that, we managed to get also, as I explained earlier, a cheaper financing. So overall, I think we are very pleased with where we are despite the different challenges that the company faces.

Balance sheet again, we continue to have a strong balance sheet with strong equity. You can see that the total assets of the Controlled segment is about 47% and Investment is 54%, this reflects the increase in the value of DSV over the past year. The investment side from a valuation perspective and from a shareholder and investor perspective, that 54% of our assets would have to be evaluated differently because it contributes very little to the P&L as we have seen from the previous slide and the 46.5% or for the sake of argument here, 50% of our assets, which is under the Controlled, is what you see in the P&L. So, I think we have a very good, very balanced portfolio of businesses and a very strong equity base.

The debt profile, this picture will change significantly in the next quarter, you'll see a totally different picture because the funded collar will kick in and most of the debt will be paid by that time. But I think it's worth mentioning that the debt that we have taken is a Euro based debt and DSV is a Euro based asset, so the hedge is in Euro, and also our debt predominantly would be in Euro. We will still have some portions in US dollar and KD. So we believe the current portfolio of debt in terms of maturity and currency is appropriate to our asset base.

The graph on the right shows you from Q2 2022 to Q2 2023, where the money has been invested and why the net debt has increased. So, you can see where the difference is coming from and you can see KD 416 million increase over the past 12 months, of which KD 335 is in the acquisition, another almost a hundred million in Capex and investments, that is funded by operating cash flow and other sources of cash. So, I think you can see clearly that most of the cash that has been generated and borrowed has been reinvested, and that's basically the acquisition that we have made over the past year or so.

We move to the cash flow, if you are following the company from long time ago, 2015 we started moving from net cash position to a net debt position and also from a positive free cash flow to a negative free cash flow to fund the investment program that we had back then started in 2015. By now I think most of the major investments are done. We are seeing positive cash flow, free cash flow of KD 52 million, strong operating cash flow of almost KD 90 million for the H1. We continue to focus on cash management and the usage of cash. Now that we have rebalanced our debt portfolio with the funded collar, we believe we will have some flexibility to do some investments.

Note, we are very cautious about what investments we do, and we are making sure that there is a high level of scrutiny to the investment opportunities and that we are only focusing on things that would move the needle for the company and its shareholders. So again, we are pleased to start seeing positive cash flow back. We are diligently studying how we deploy that cash, between how much should go to the shareholders, how much should go back into investments. And I think as the environment settles down, that would give us more confidence or more clarity on where and how this cash will be deployed.

This is just a snapshot of the key entities, and you can see revenue growth in the Aviation Services is quite significant, and that's primarily driven by the Menzies acquisition and more importantly the recovery of the aviation industry. If you remember, we did the Menzies acquisition towards the end of Covid, and the aviation industry was still not recovered yet. We are seeing a very strong recovery now, and that's reflected in Menzies and also in our Legacy NAS operation and you can see that in the numbers. So, the numbers here are driven by both the acquisition and also by the strong performance due to the recovery in the aviation space. We're very pleased with that acquisition. We believe it's a strong platform from which we intend to grow and probably do more organic and inorganic growth to maximize shareholders' value, similar to what we have done with the GIL business.

Fuel Logistics, that's Tristar, again, very strong momentum in revenue and EBITDA and then all the other Controlled businesses, a decent growth in revenue and flat EBITDA growth versus Q2. ALP continues to be okay; I think we're very, very bullish about Saudi. We have invested early in Saudi industrial real estate; and I think we will start seeing some significant growth and opportunities going forward. Africa is reasonable, due to the currency and the current situation, it's not I would say the best investment, but still a reasonable and decent investment. And I believe given the nature of the investment and the infrastructure play in Africa over time, this will start being optimized. Again the big chunk of the investment that we have done in that space in ALP is in Saudi, and I think that is staying handsomely, and we believe the potential is going to be even larger than what we have seen so far. I think that's the last slide.

We'll address some Q&A and then end the call.

Operator: As a reminder, if anyone would like to register a question, please use the written Q&A box online to register a written question.

Rajat: Thanks for the call. Had a question relating to quoted equity securities amounting to KD 1.248 mn. Is the increase in this line item compared to Dec 2022 figures entirely due to the fair value of the collar?

Ehab: The increase is basically due to the increase in the stock price of DSV. It is not related to the collar, it's related to the increase in the price of DSV. The collar is classified differently. The value up or down of that collar would be reflected in the equity. but that increase that you are seeing in the equity in the quoted security is primarily driven to the reevaluation of DSV shares, which is due to the increase in the stock price of DSV over the period. I think it's worth also mentioning that the collar will be valued every quarter and then any gain or loss will be going through the equity. Now, if the collar value is up, that means that the stock price is down, predominantly that would be the case, if we see increase in value in the collar, that's basically the protection, then there'll be a corresponding decline in the stock price. So the net effect on equity should be minimized. Of course, it depends on the level of the collar and the protection and all of that, but you should expect some movement in the equity up and down as a result of valuing that collar every quarter. Back to your question about the value and increase in the value it's definitely due to the increase in the stock price of the DSV from December 2022.

Fahad: Why are you still accounting for revenues of suspended operations in Kuwait ? And does the company still manages the warehouses? do you still receive rental income from the warehouses ?

Ehab: This is a legal case and we follow what the legal advisors tell us based on how they see our position, so we are not doing any speculation. I mean, we are still managing the facilities, the warehouses and we are still receiving rental income, and collection is quite healthy. So, I think it's business as usual. Of course, there is a legal case and there is development, and we keep the market updated through the announcement on the Boursa website, and also there is an extensive legal case note in the financial statement where you can read all the details. But again, our revenue recognition here is based on the legal opinion and what they believe our position is.

Christine: Do you expect to hedge the rest of the DSV stake?

Ehab: We are monitoring this, the DSV stake is significant to us, and we have seen its impact on our equity when the stock price went down, and also you can see its magnitude to our asset. And when you look at our Market Cap, it represents a significant stake. So, we cannot be complacent about managing the stake, we will actively continue to manage it. But I think for the time being, we hedged, as I said, about 14 million shares out of 19.3 million. I think that's a very, very good level and a comfortable level for us for the time being. Now, things might change, the market might change. There might be different scenarios that we are not anticipating or different opportunities that we are not foreseeing, and as and when these scenarios present, we take the appropriate action.

But for now, I would say the short term, medium term, I think we are hedged to the level that we are comfortable with.

Rajat: How should we think about the impact of potential rent escalation for ALP operations in KW. Are you accounting income from all warehouses in the financials?

Ehab: I think we addressed the second part of the question. The first part, I'm not sure the rent escalation from the government. I mean it's a legal case, so I think it would be too early to start speculating how we will manage the escalation in the rent of the ALP operation. So, I think what we would do is wait until the legal case settles and then in the light of that we will start strategizing around how we can optimize the income, how we can rationalize our expenses, including escalation or grant from the government.

Fahad: How long is global clearing's contract? And could it be suspended at any time?

Ehab: All the related information about the Global Clearing contract is in the financial statement. There are legal cases with the government. I think we won a KD 58 million court decision, and all the information is announced and explained in the financial statements.

I think I have addressed all the questions, so we can close the meeting. Thank you everyone.

Agility Earnings Call Presentation

Second Quarter 2023

August 2023

Agility

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Agenda

1. Q2 2023 Business Update
2. Group Financial Performance
3. Q&A

Q2 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 second 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 given its significance to Agility's balance sheet. This transaction concerns 8 million shares of the total shares owned by Agility in DSV.

- Agility has issued its 2022 Sustainability report. Sustainability remains a central focus for Agility, and our evolving operating structure offers an opportunity for us to reassess and realign our groupwide approach.

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.

Group Financial Performance

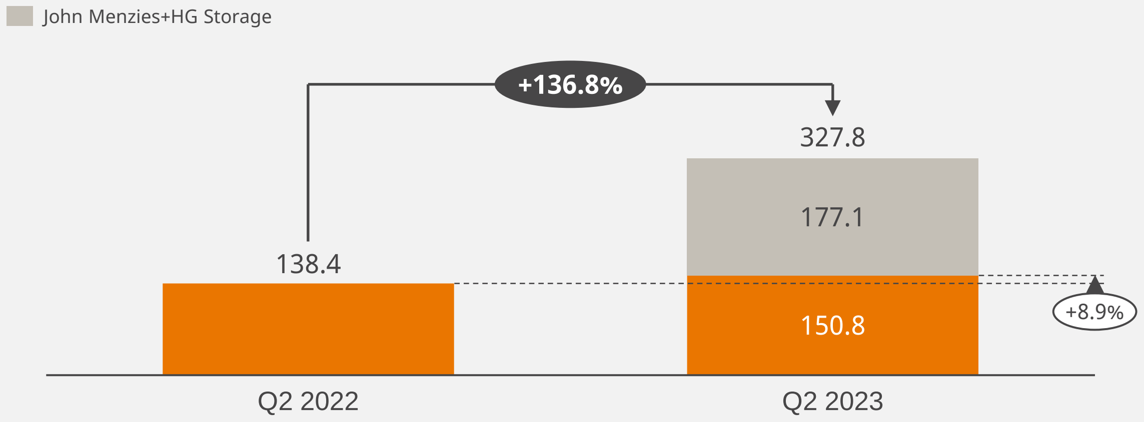
Financial Highlights Q2 2023

Agility

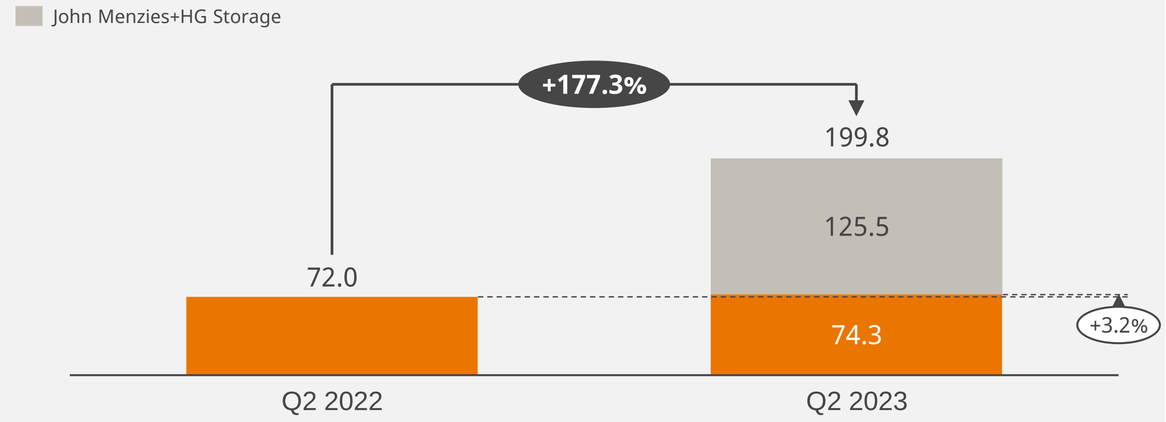
Agility Income Statement – Q2 2023 (KD Mln)

Solid operational performance and growth across all businesses

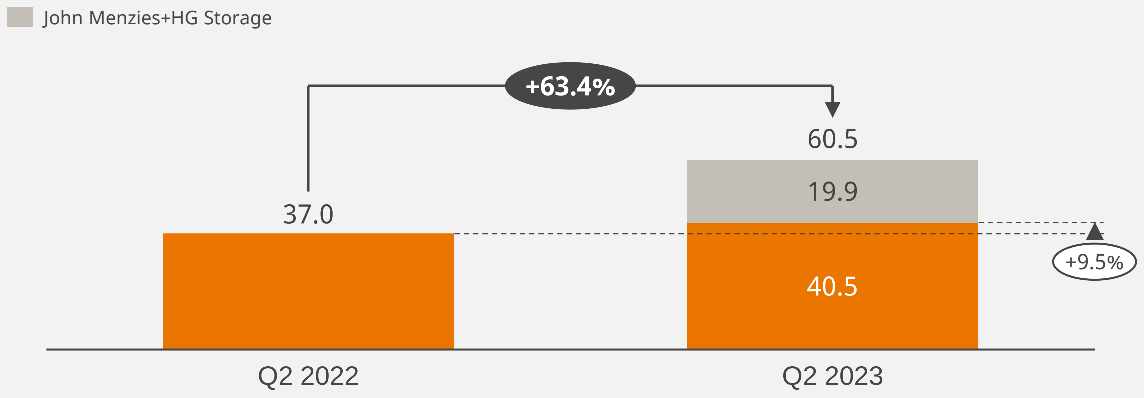
Revenue



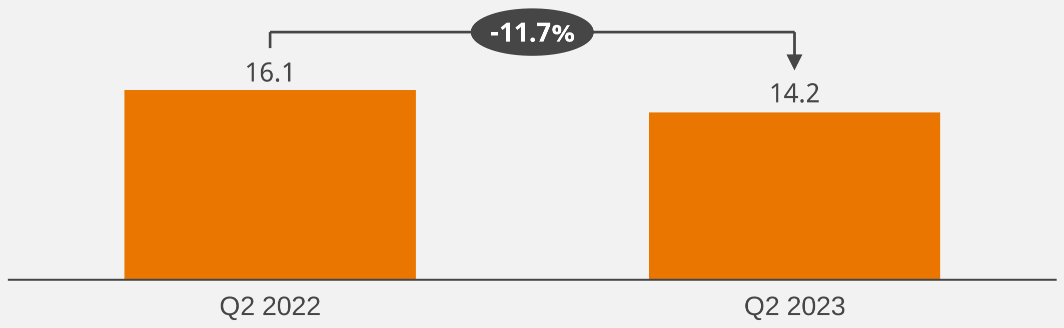
Net Revenue



EBITDA

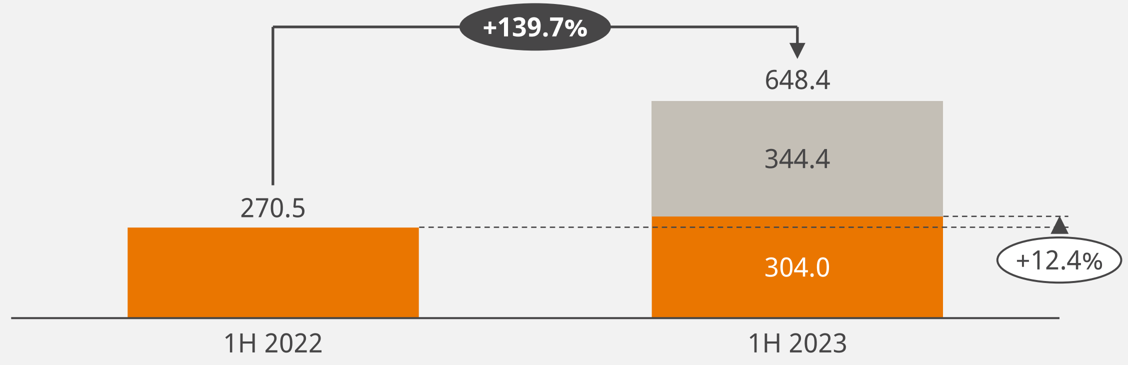


Net Profit

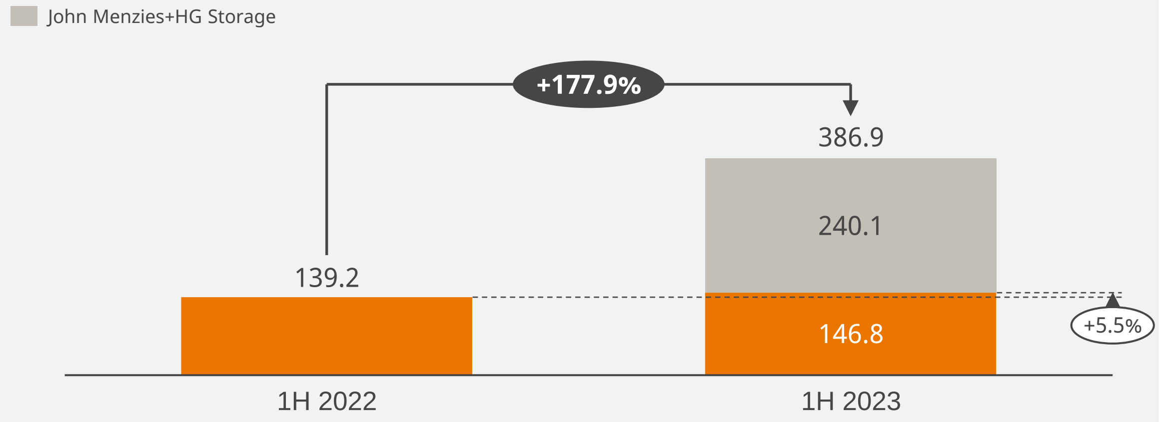


Agility Income Statement – 1H 2023 (KD Mln)

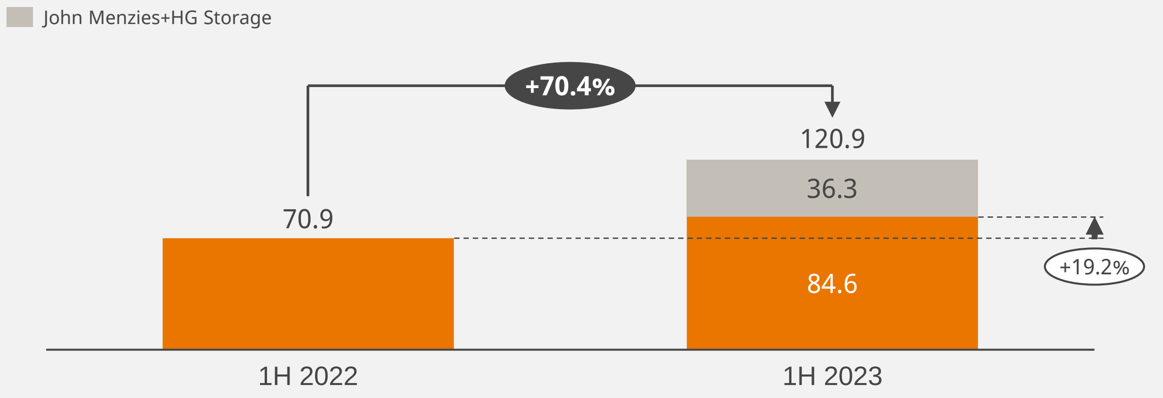
Revenue



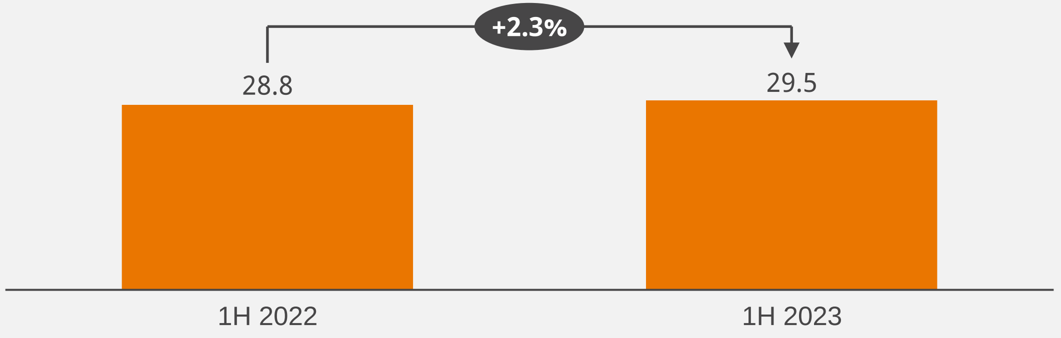
Net Revenue



EBITDA



Net Profit



Agility Reported Income Statement – 1H 2023

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

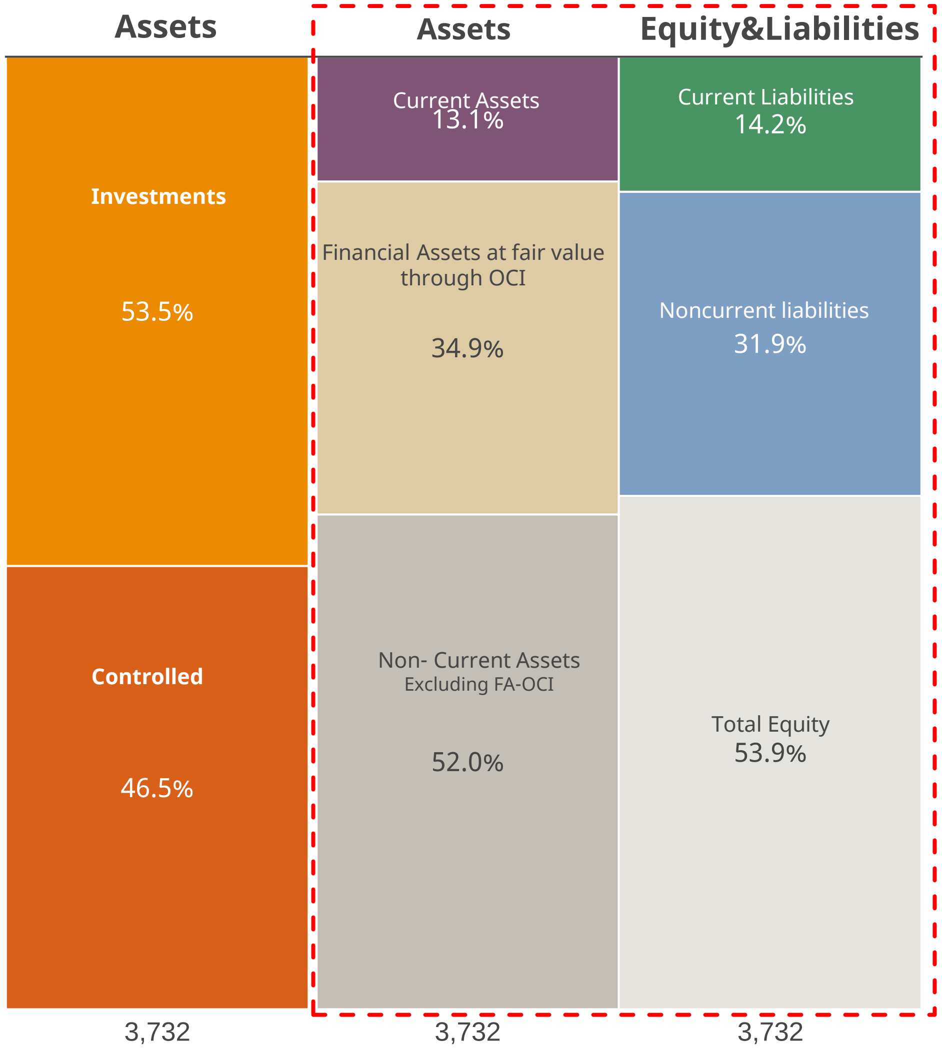
	Controlled			Investments			Consolidated		
KD Mln	1H 2023	1H 2022	%	1H 2023	1H 2022	%	1H 2023	1H 2022	%
Revenue	**648.4**	270.5	140%	**-**	-	-	**648.4**	270.5	140%
Net Revenue	**386.9**	139.2	178%	**-**	-	-	**386.9**	139.2	178%
EBITDA	**118.0**	76.4	55%	**2.8**	(5.5)	152%	**120.9**	71.0	70%
EBIT	**73.4**	57.8	27%	**2.8**	(5.5)	152%	**76.3**	52.3	46%

Balance Sheet (KD Mln)

Strong Asset and Equity base to support our future growth plan

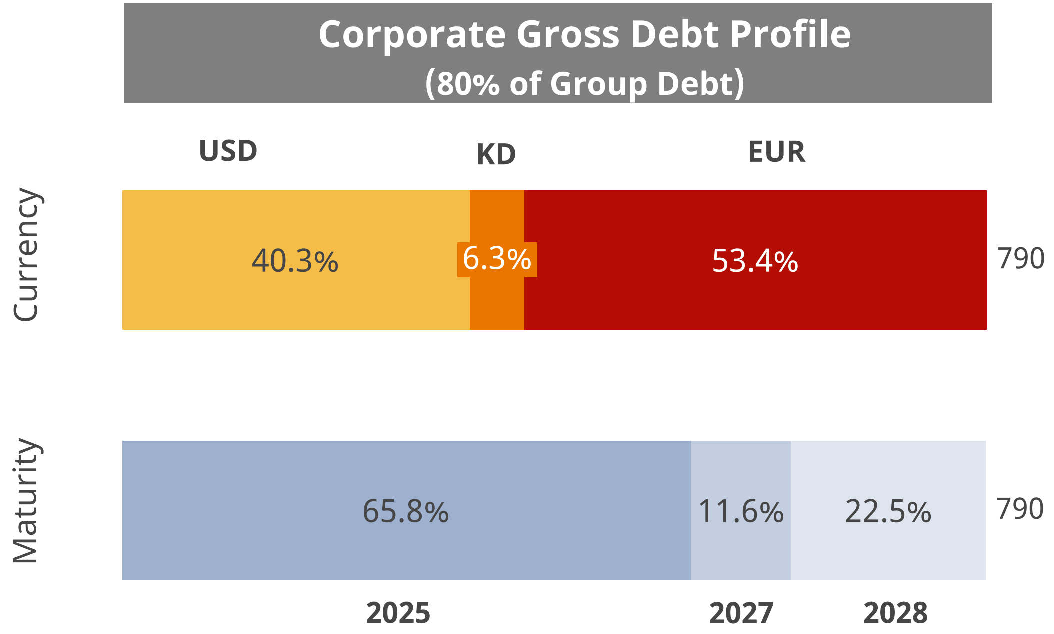
Balance sheet	Jun 2023	Jun 2022	Variance	%
Current assets	490.0	297.1	193.0	65.0%
Non-Current assets	3,241.8	2,175.1	1,066.7	49.0%
Total assets	3,731.8	2,472.3	1,259.6	51.0%
Current liabilities	529.2	357.8	171.4	48.0%
Non-current liabilities	1,191.6	594.4	597.1	100.5%
Total liabilities	1,720.8	952.3	768.5	80.7%
Equity attributable to equity holders of the Parent Company	1,893.4	1,478.9	414.5	28.0%

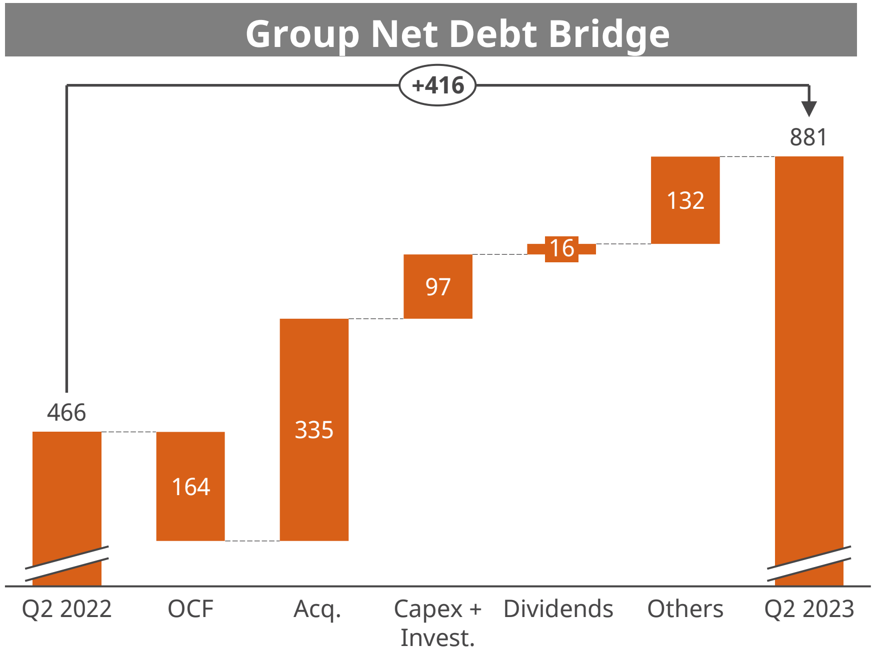
- Menzies and HG Storage assets are included in the controlled segment and DSV is part of the Investment segment



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)

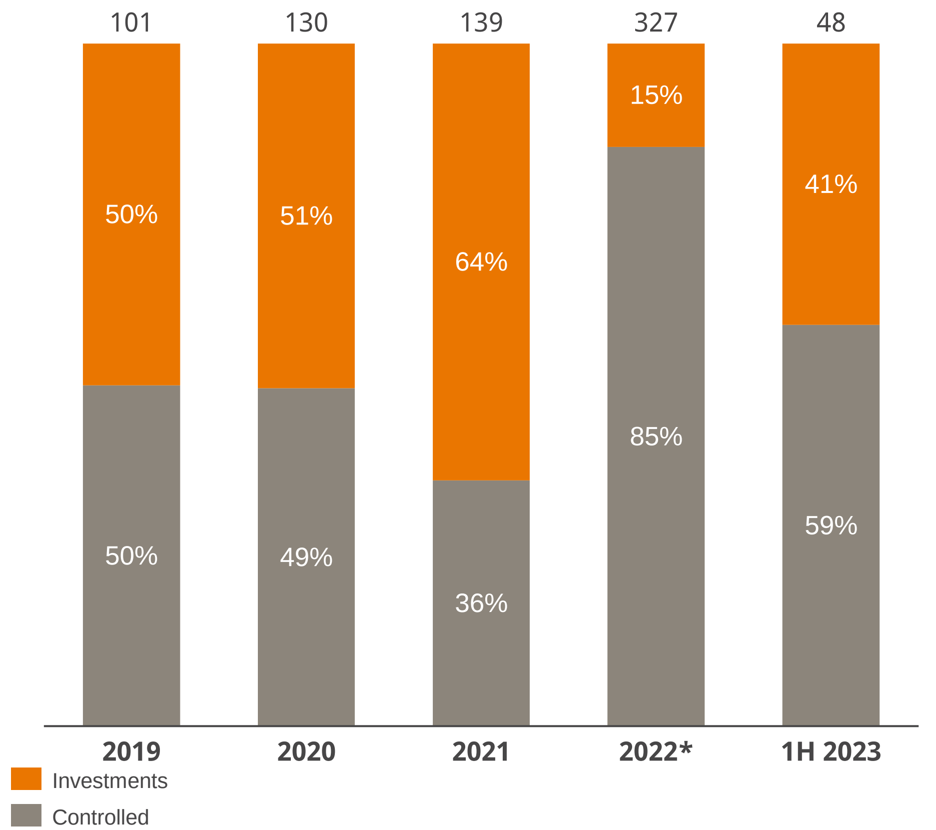
Agility has a healthy cash flow generation and will continue to reinvest in its businesses

Cash Flow Statement	1H 2023	1H 2022	Variance	%
Cash from Operating activities before changes in working capital	118.9	75.6	*43.3*	*57.3%*
Changes in working capital	-15.1	-47.1	*32.0*	*-68.0%*
Other Items	-14.1	-4.1	*-10.0*	*243.7%*
Net Cash flow from operating activities	**89.7**	**24.4**	***65.4***	***268.3%***
Net Organic Capex	-28.1	-19.1	*-9.0*	*47.1%*
Net Investments*	-19.7	-66.7	*47.0*	*-70.5%*
Net Movement in deposits	10.0	18.3	*-8.3*	*-45.4%*
Net Cash flow from investing activities	**-37.8**	**-67.5**	*29.7*	*-44.0%*
Free Cash Flow	**52.0**	**-43.1**	***-216.8***	***502.9%***

Financial Metrics

Conversion ratio (OCF/EBITDA)	74.23%	34.34%
Organic CAPEX as % of Revenue	4.34%	7.06%

Capex and Investment



* Investments & Acquisitions

* 2022 controlled capex includes HG Storage and John Menzies acquisition

Agility's Operating entities delivering healthy growth Q2 2023

Aviation Services

+862%
revenue growth Vs Q2 last year

+367%
EBITDA growth Vs Q2 last year

▶ Growth Drivers

The Menzies acquisition has given Agility the ability to leverage this business for future growth.
Q2 results have strengthened with the post-pandemic aviation industry recovery, which has included growth in flight volumes. Also, Menzies has a number of new operations that it has launched or acquired during this quarter.

Fuel Logistics

+76.2%
revenue growth Vs Q2 last year

+33.5%
EBITDA growth Vs Q2 last year

▶ Growth Drivers

Tristar's growth is driven mainly by the momentum of our Maritime and Fuel Farms segments. Tristar's addition of HG Storage International also contributed to this growth.

Other Controlled Businesses

+9%
revenue growth Vs Q2 last year

+1%
EBITDA growth Vs Q2 last year

▶ Growth Drivers

The main contributors to this group were:

- ALP reported 7.8% Q2 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. .
- UPAC reported a 1.2% increase in revenue for Q2. The increase was primarily attributable to a rebound in airport services and parking and the beginning of the summer holiday season for travel.
- GCS revenue grew 6.3% vs. the same period in 2022. GCS is focused on delivering optimal efficiency and services to its customers.

Q&A Session