Agility

19 November 2023

M/s Boursa Kuwait

Subject: Analyst/ Investor Conference for the third Quarter of 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/ Investors Conference was held through a Live Webcast at 2:00 pm local time on Thursday, 16 November 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 Third 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 third quarter 2023 earnings webcast. Our CFO, Mr. Ehab Aziz will be discussing the presentation you have on your screen and will be ready to answer all your questions at the end of the session. Before we begin, I would like to draw your attention to the disclaimer available on the second page of this presentation. If you can take a moment to read it, and then we'll hand it over to Ehab, thank you. Ehab, over to you.

Ehab: Good afternoon, everyone and welcome to Agility's third quarter update. As usual, we'll start with the Q3 business update and financial performance and then we'll end with answering any questions you might have. On the major events that happened during the quarter as you have probably seen Menzies was awarded seven ground handling contracts in Spain which we believe is a very important win and actually adds to the recovery and growth of the industry and Menzies in particular on the medium and long term. So, we are very pleased and very optimistic about the outlook in that space. Also, we have signed in Saudi an MOU with MISA, as you know, we are very active in the Saudi market, and we believe the Saudi market has lot of tangible potential. There are many things happening on the ground, and we believe we're very bullish on the Saudi market and the future of that market. And then we have the legal dispute with the government in Kuwait, which we have a full disclosure in our financials about all the details and the progress to date on that front.

In terms of numbers, we had a very strong quarter driven by the M&A that we did last year, particularly the Menzies acquisition and HG Storage. If you remember last year, we closed around this time two deals and the impact of those deals is reflected in the numbers here, even organically the business has shown significant growth year over year.

So, we are very pleased that our Controlled businesses, as we will see later in the slide, is doing very well and executing very well in a relatively tough environment. So, revenues are up almost 41%, net revenue about 46%, EBITDA 28% and net profit is 123%. Net profit is impacted by one off also, which we have mentioned in our disclosure.

But despite that, if you take this one off out, we are still on a good trajectory. If you look at EBITDA which doesn't include that one off, you can see that healthy growth year over year for the three months ended September '23. For the nine months, it's a similar picture, but revenues have a much higher growth because the first two quarters of last year did not include the impact of the acquisitions. So, in the three months, you see decelerating growth, but still significant growth, as we have seen in the last slide. For the nine months revenue stood at about KD 1 billion, up +91%, net revenue about KD 600 million 110%, significant growth in EBITDA +54% and stood at KD 180 million and net profit is at KD 57.5 million, a growth of 39%.

Since we sold GIL - we got significant assets, predominantly DSV that is classified as Investments - we started reporting our numbers into Controlled and Investments and as you can see, the Controlled business, which is almost our wholly owned or the already controlled operations, has seen significant growth year over year, and that is driven by both organic and inorganic growth that we have been able to accomplish over the past several years. So, I think we have been able to reshuffle our portfolio, by selling GIL and getting an asset which is classified as an investment and not included in our Controlled business, but then successfully rebuilt our Controlled business to go back to significant levels for the nine months, one billion KD, and also, in terms of scale and scope, the scale and scope of the operation is back to an international operation due to Menzies acquisition.

The balance sheet, as you probably know, during last quarter, we managed to enter into a funded collar to hedge our stake in DSV. And as a result, we prepaid the existing debt from commercial banks. We got debt on the back of the funded collar, and our financial position and the balance sheet has been strengthened relatively by that, because now, as we will see in the next slide, the maturity of the debt has been extended.

I think the only thing I would like to draw your attention to here is the assets split. Currently what we call Investments predominantly DSV, Reem Mall because it's a convertible debt we treat it as an investment for the time being, represents about 43% of our total assets. And the controlled business is about 57%. I think that is key when you value the company, because the operating results that you have seen in the previous slides only come from the 57% which is the Controlled. There is 43%, which is the Investments have to be looked at differently because the earnings are not reflected in our PL results. Our net debt to EBITDA improved a little from last year, and that's due to the improvement in EBITDA.

I think this is a slide that is important from a risk management perspective, given the inflationary and the high interest rate environment we operate in. I think it has been a nightmare for many companies, and the burden of debt and servicing of interest has been a burden for many companies. What we have done, as I mentioned, we did the funded collar, we got the money on the back of that. We settled most of the commercial loans and we got almost a fixed interest rate for the next three to four years. So, few things I would draw your attention to here. One is our debt defined in terms of currency and that is the corporate debt, which represents about 80% of the total debt that we have on our balance sheet. The rest are embedded in the business. For currency we have now 89% of that debt is denominated in Euro. And that was a major shift from what we had before. What we had before was a U. S. based borrowing. Now we have 89% of our debt is in Euro. And that is maybe to match the asset, the main asset that we have, which is the DSV shares. So, there is a natural hedge now on the currency side. And I think that gives us some peace of mind because the movement in currency would not impact us as much as it used to be in the past from a balance sheet perspective. P&L might be different according to the accounting treatment, but, from an economic value perspective, now, our debt mirrors our asset and then that gives us some, stability from a currency perspective. On the maturity side, as you can see, the debt profiles, almost 37% is now maturing 2026, this also, because of the flexibility in the hedge, can be extended further if we want to. So, I think from a debt profile, 52% will mature by 2027, so overall in terms of maturity, in today's market environment where interest rates and inflation are unpredictable, I think we feel safer having a little bit medium term maturity for the next three or four years until things settle. And then maybe we can look at the maturity profile further as and when the hedges mature.

You look at the net debt bridge throughout the year, you can see that we generated significant operating cash flow, and this we will see on the next slide, you will also see this interest payment and leases of KD 158 million, a big chunk of that, I believe it's about KD 100 million, is a prepaid interest, because we got the loans from the banks on the back of the hedge, and we have to prepay the interest up front. Of course, the interest rate is much lower than what we used to pay, but we have paid about KD 100 million worth of up-front interest. That interest rate if we prematurely settle the debt or prematurely close the hedge, we would be able to recover the proportionate. But from a cashflow perspective, I think you have seen it now as one off, but then going forward we are not obliged to pay physical cash to settle the interest on an ongoing basis, which would free up our cash capacity in the future.

In terms of cash flow, I think there has been a significant improvement for the nine months compared to last year. You can see our operating cash flow about KD 144 million compared to KD 46 million last year, and that is coming mainly from the operating cash flow before changes in working capital, almost two-third of the improvement is coming from there and that's the result of the acquisitions and the organic growth and the recovery in multiple industries. Free cash flow was about KD 80 million. Last year, if you look at the KD 250 million in investments, that's the acquisition impact. But even if you take that out, still the free cash flow significantly improved. On the right side, you can see the Capex and investment split between the controlled and investment, first you can see the absolute amount is lower than last year and lower than the average of the last four or five years. 39% invested in the investment sector, and that's predominantly the funding for Reem Mall and the rest is on Controlled, which is organic Capex and small acquisitions.

Businesses performance, overall, you can see on the Aviation Services sector, our revenues are up 66% and that's a function of the M&A acquiring Menzies, but also it's the recovery of Menzies and the recovery of NAS as the broader industry recovered from last year. The EBITDA growth is 50%. Again, that's the recovery from COVID plus the acquisition. On the fuel logistics, that is a very strong growth year over year. It's predominantly Tristar, 15% growth in revenue, 22% in EBITDA and Tristar has been consistently growing its business. It's been a very rewarding success story, and we feel very proud of what the Tristar team has been able to do. And then everything else, the

ALP, UPAC, GCS and a few other smaller entities have also shown significant growth year over year. So, across the board, you can see a very strong performance in the Controlled business which gives us a lot of optimism about next years and years to come.

I think that was the last slide. I will see if there are any questions to be addressed.

Operator: As a reminder, you can submit any questions via the Q& A chat box on the right.

Yousef: Can you explain to us more about the "one-off" item, assuming it's the recycling hedging reserve. How did this occur exactly?

Ehab: So, when we had the loans, the commercial loans, we entered into an interest rate hedge for part of those loans. This hedge was reported in the equity at the time. Now, when we closed the loans, we had to close the hedge and the result of that hedge closure had to be recycled through the P&L. The impact of that hedge, which was about USD 80 million profit, went through the P&L. So, that was a result of the closure of the commercial debt and replacing it with the funded collar debt that we got. So, I hope that explains the recycling of the hedge and the one off gain. So, you will see on the equity side there is a reduction and an increase on the P&L side below EBITDA and then it goes back through the retained earnings.

Yousef: Has there been a deterioration in Agility's relationship with the government authorities in general and will it make it more difficult to obtain new project awards?

Ehab: I think that's a very subjective question. I don't know how to quantify the deterioration in the relationship with the government. We are a professional company. The government is following what they believe is right. We also follow what we believe is right and I think there is a full disclosure in the financial statement that explains in detail all the steps that have been taken from both sides but I cannot assess or judge subjectively on whether the relationship deteriorated or not.

Yousef: What is your target Net Debt to EBITDA in 2024 or 2025.

Ehab: I think this is also tricky to a certain extent because optically our net debt to EBITDA today is at 3.7X, but that doesn't consider the major asset, which as we have seen before the Investment segment represents about 43% of our assets, and I think if you allocate some of the debt to that asset, net debt to EBITDA will reduce significantly. So, I mean, our target is to always maintain an investment grade, which should be around like 2x, maybe 2.5x maximum. I think if we adjust or allocate some of the debt to the DSV shares not just measure it as a function of EBITDA, I think we'll be at that level. So, in the next two, three years, I don't see our debt going either way in a significant way. So, I don't expect it to go much higher. I expect it to go a little bit down as a function of growing EBITDA, not as a function of repayment of debt. Unless things change and we either sell something or we buy something which is not in the cards as of today.

Jonathan: Would you consider further collars or outright sales in DSV to further improve your balance sheet?

Ehab: I think, in hindsight, we have been lucky to get, 75% of our stake covered and hedged. So now, when the stock price goes down, we are not as nervous as we were without the hedge, we're also definitely upset to see the stock price going down, but, I mean, without the hedge, we're very nervous and because it's a significant asset and the impact on our balance sheet is significant. But I think now at 75% hedged we are more relaxed. I don't think we will do any further collar in the short term. Maybe if things develop in a certain way, we will always evaluate the situation. But I think from a risk management perspective, we are fine with what we have. On the sale of DSV shares, you know, I don't see us selling like a significant stake or anything. I don't think that's in the cards as of now. We might participate in the share buyback. We haven't participated so far in the share buy-back, but there might be a window where we need to participate in the share buy-back. But again, no decision has been made yet. I'm just thinking out loud, if and when there is a need for liquidity and we need to monetize part of our stakes through the share buy-back, we might be selling our pro-rata share in that share buyback. So far, we have not participated. And, and there is no plan to participate. I'm just explaining that there might be situations where we need to do so.

Taha: For the cases Agility is fighting against PAI, how do the warehouse area (SQM) for these cases compare to total Agility warehouse space? What percentage of rental revenue comes from the warehouse leases under question?

Ehab: I think we disclosed before the percentages. Most of the revenues that you see on the rental revenue income from the real estate comes in Kuwait, I don't have the figure, but it's the majority of the revenues. The rest is coming from Africa and coming from Saudi. So, it's still a significant stake or a significant portion, we have disclosed the figures before, so an unfavorable event will have an impact and I think the stock price has reacted or maybe overreacted to the situation but I don't see it as an existential threat to the company because as you can see, the company has been able to diversify its assets, and I think we are in a much stronger position and a much stronger company than what it used to be several years ago. So, it is painful to see these assets, God forbids, if the court ruled against us, but I would say it's not an existential threat to Agility and I think we have diversified well, we have increased the size of our operation and the scope of our operation geographically and otherwise. I think Saudi offers a significant upside potential, particularly on the real estate side. We are forced to face this situation, you know, it is extremely painful, but life goes on, and I think the company will be strong even after losing the lands, God forbids, if the court decides against us.

Yousef: Which business segment are you the most excited about and can contribute highest to EBITDA?

Ehab: It's by far Menzies. Menzies is our vehicle now to create significant value for our shareholders. That's for sure. It has the potential in terms of size and in terms of industry and in terms of our capability to generate significant value in the next 3 to 5 years. So, Menzies is the highest EBITDA contributor and also high potential in terms of value creation in the next 3 to 5 years.

I think I answered all the questions. So, with that, thank you.

Thank you all for your time, please note that the presentation and the transcript will be disclosed to the relevant Stock exchange and available on the company’s website.

Agility Earnings Call Presentation

Third Quarter 2023

August 2023

Agility

Forward-Looking Statements Disclaimer

This presentation is strictly confidential and is being shown to you solely for your information and may not be reproduced, retransmitted, further distributed to any other person or published, in whole or in part, for any purpose.

This presentation has been prepared by Agility Public Warehousing Company KSCP ("Agility") and reflects the management's current expectations or strategy concerning future events and are subject to known and unknown risks and uncertainties.

Some of the statements in this presentation constitute "forward-looking statements" that do not directly or exclusively relate to historical facts. These forward-looking statements reflect Agility's current intentions, plans, expectations, assumptions and beliefs about future events and are subject to risks, uncertainties and other factors, many of which are outside Agility's control. Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Agility undertakes no obligation to revise any such forward-looking statements to reflect any changes to its expectations or any change in circumstances, events, strategy or plans. Because actual results could differ materially from Agility's current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained in this presentation with due care and caution and seek independent advice when evaluating investment decisions concerning Agility.

No representation or warranty, express or implied, is made or given by or on behalf of Agility or any of its respective members, directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in or discussed at this presentation.

Agenda

1. Q3 2023 Business Update
2. Group Financial Performance
3. Q&A

Latest Business Update

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

Key Events

Major News:

- Menzies has been awarded 7 ground handling licenses by the Spanish Airport Authority ("AENA") for a period of seven years during which they will provide full ramp and passenger services at these airports from early 2024 to 2031.

- Agility has signed a memorandum of understanding signed with the Ministry of Investment of the Kingdom of Saudi Arabia (MISA) to explore areas of collaboration to strengthen the healthcare sector in the kingdom.

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.

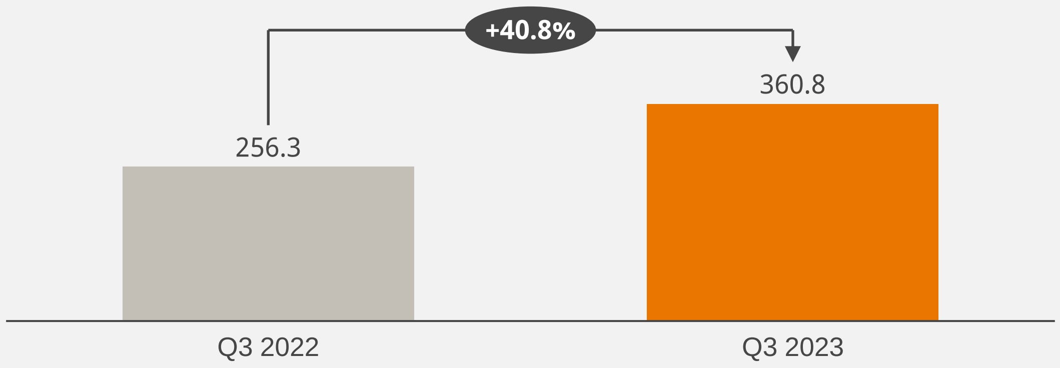
Group Financial Performance

Financial Highlights Q3 2023

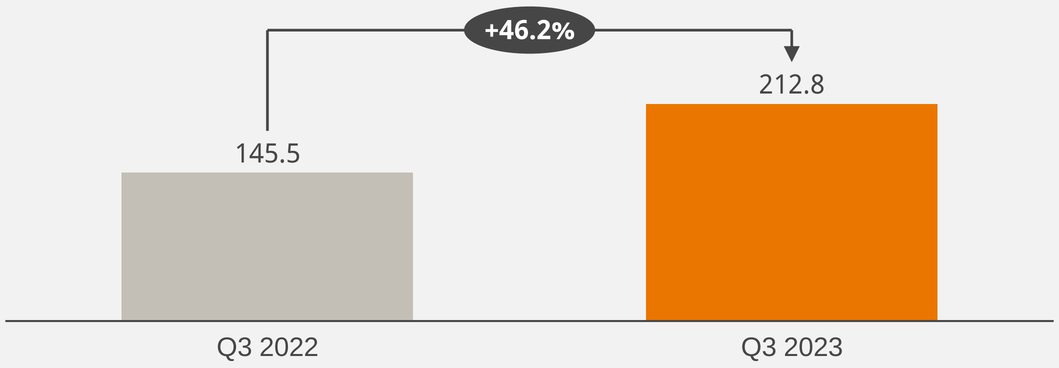
Agility Income Statement – Q3 2023 (KD Mln)

Solid operational performance and growth across all businesses

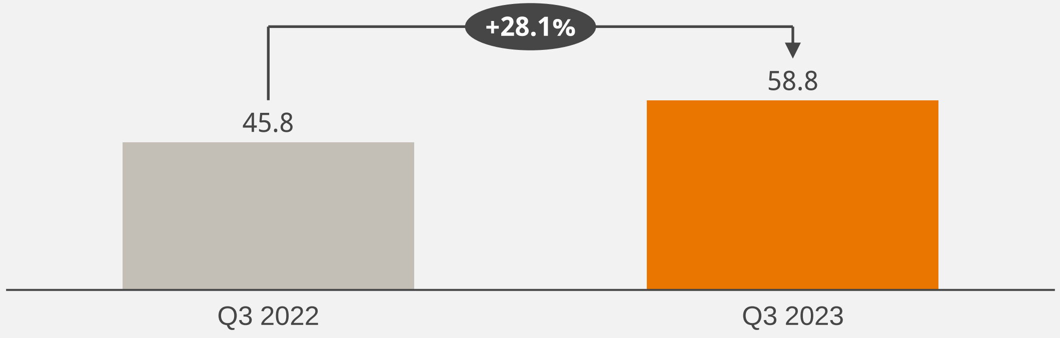
Revenue



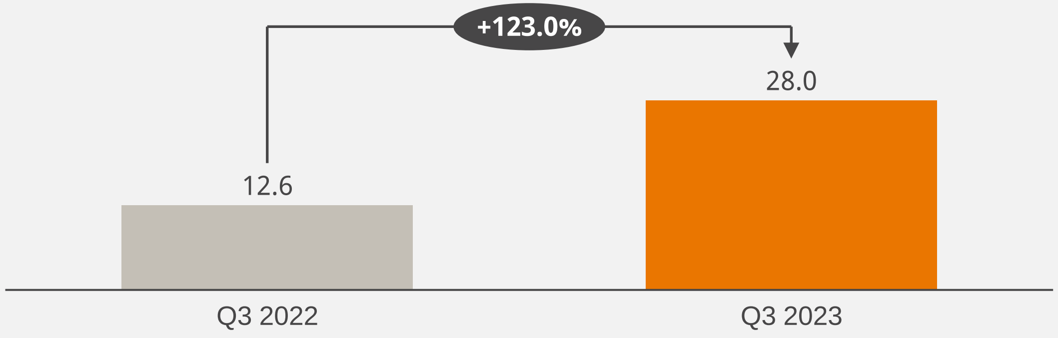
Net Revenue



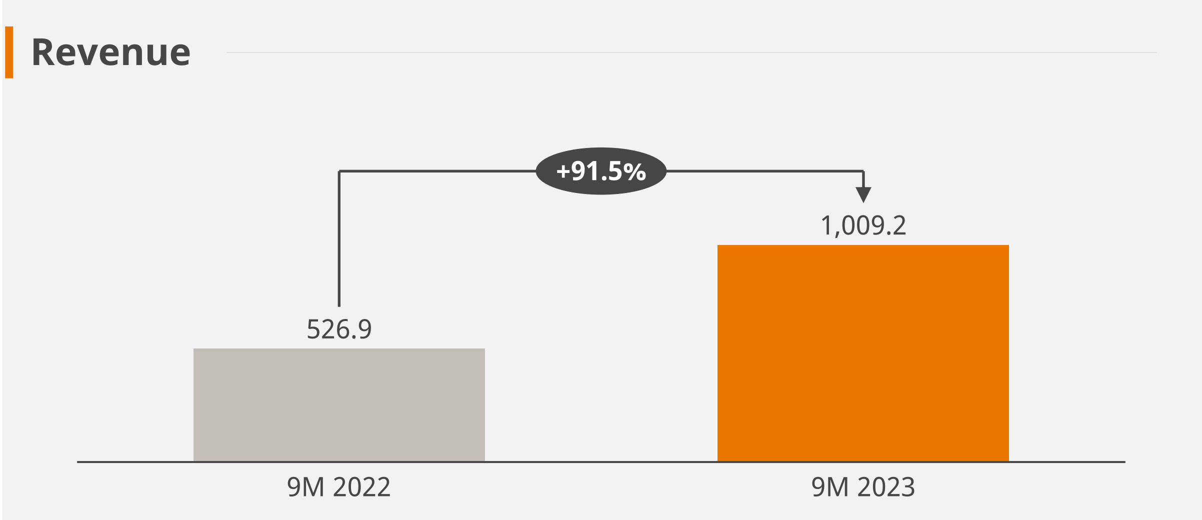
EBITDA

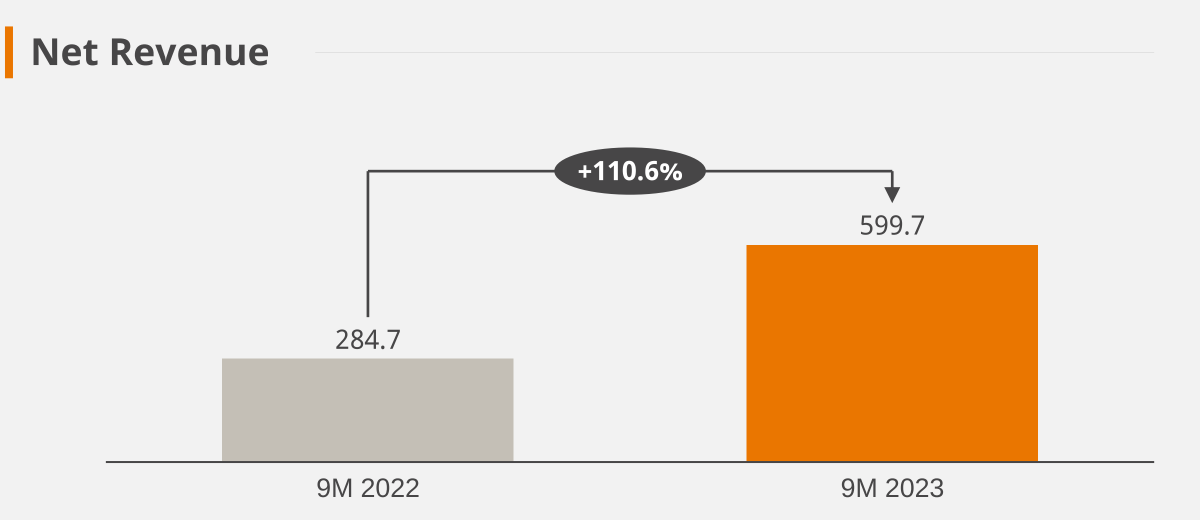


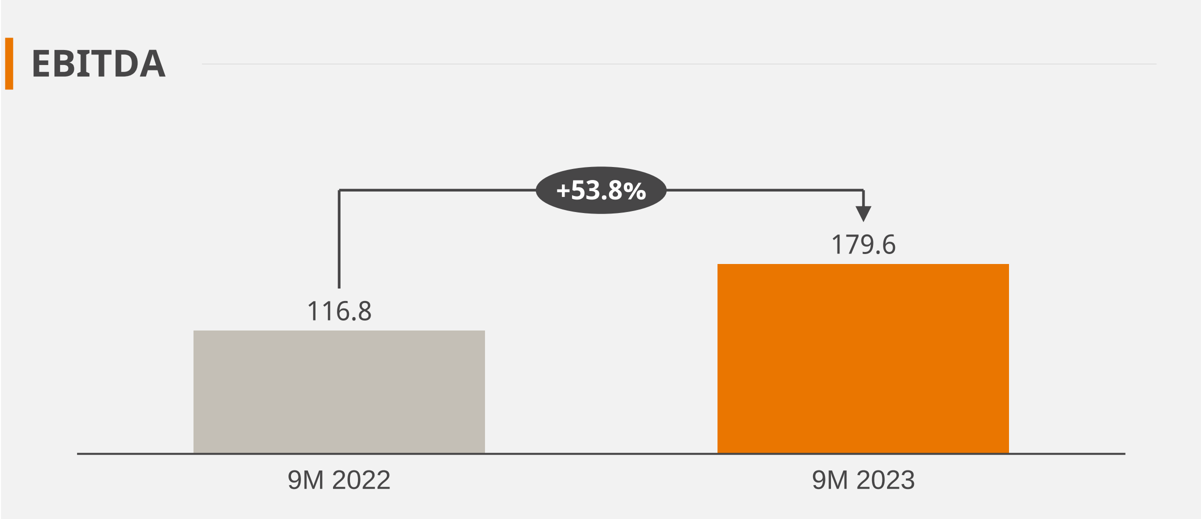
Net Profit

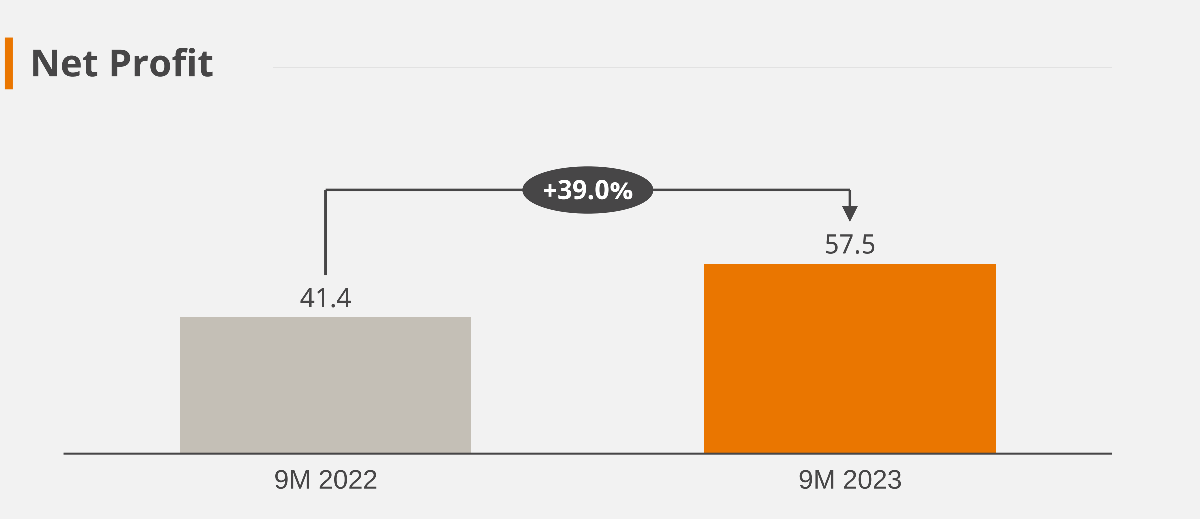


Agility Income Statement – 9M 2023 (KD Mln)









Agility Reported Income Statement – 9M 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	**9M 2023**	**9M 2022**	**%**	**9M 2023**	**9M 2022**	**%**	**9M 2023**	**9M 2022**	**%**
Revenue	**1,009.2**	526.9	92%	**-**	-	-	**1,009.2**	526.9	92%
Net Revenue	**599.7**	284.7	111%	**-**	-	-	**599.7**	284.7	111%
EBITDA	**180.1**	123.5	46%	**(0.5)**	**(6.7)**	93%	**179.6**	116.8	54%
EBIT	**110.5**	88.6	25%	**(0.5)**	**(6.7)**	93%	**110.1**	82.0	34%

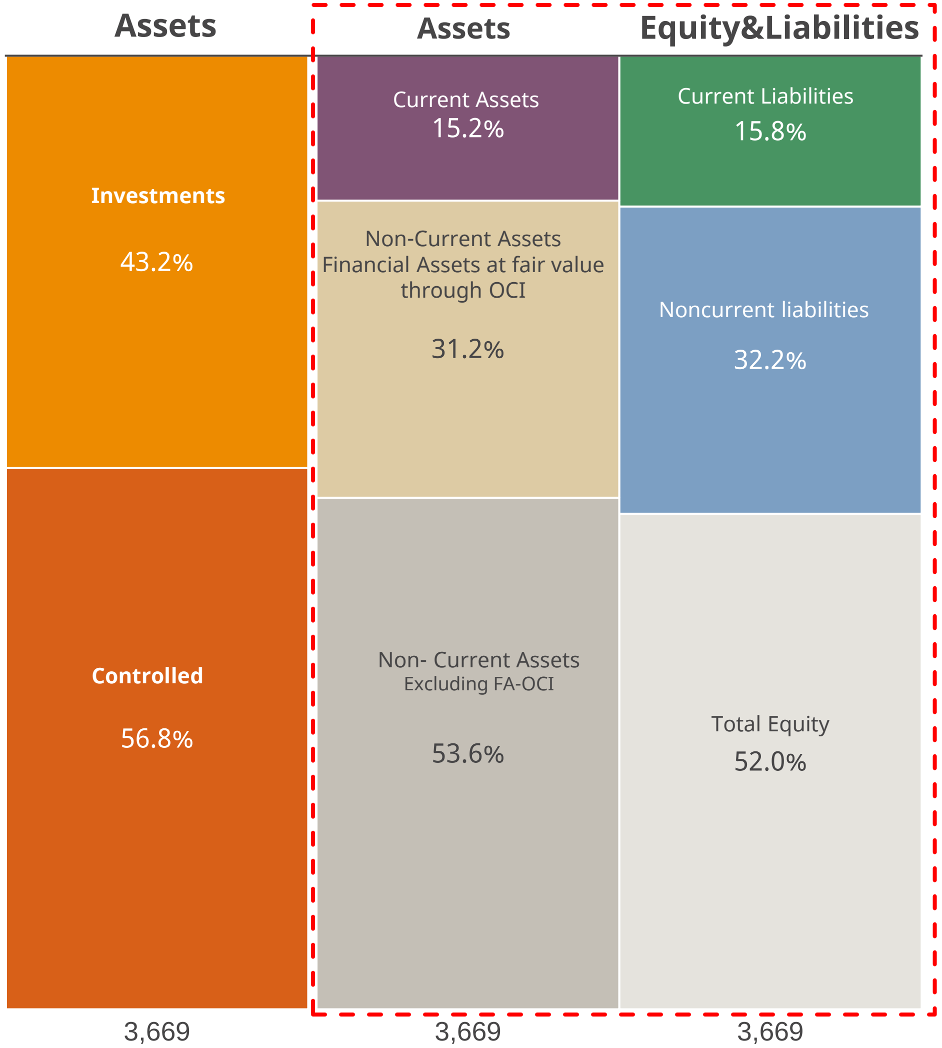
Balance Sheet (KD Mln)

Strong Asset and Equity base to support our future growth plan

Balance sheet	Sep 2023	Sep 2022	Variance	%
Current assets	556.8	506.7	*50*	*10%*
Non-Current assets	3,111.9	2,600.0	*512*	*20%*
Total assets	**3,668.7**	**3,106.5**	*561*	*18%*
Current liabilities	579.4	574.2	*5*	*1%*
Non-current liabilities	1,182.5	1,030.1	*152*	*15%*
Total liabilities	**1,761.9**	**1,604.4**	*158*	*10%*
Equity attributable to equity holders of the Parent Company	1,777.0	1,380.3	*397*	*29%*

Financial Metrices

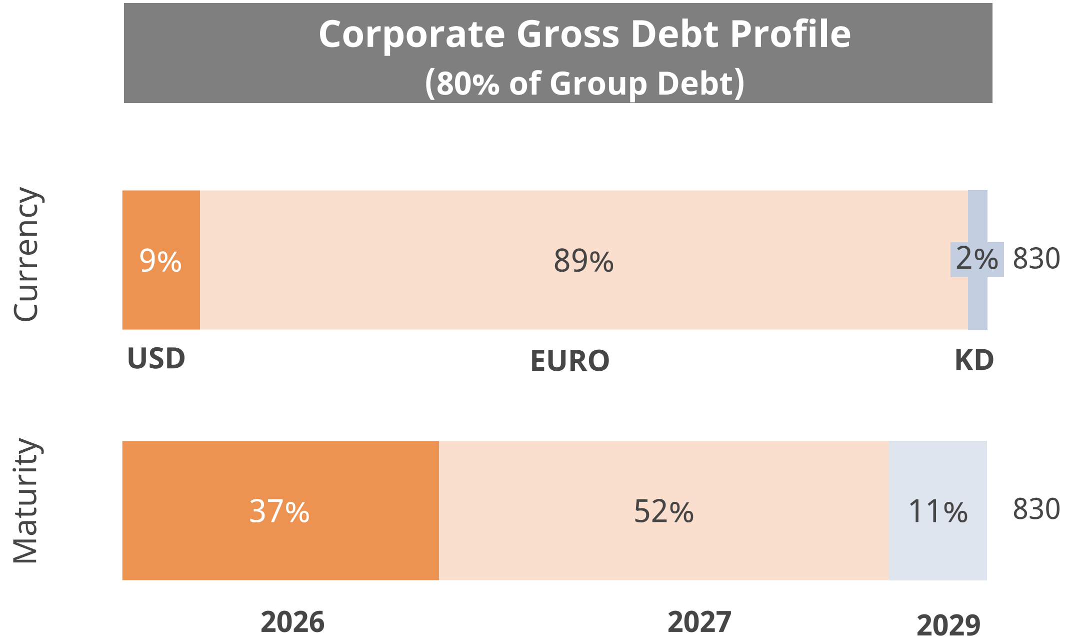
Net Debt	874.1	794.8
Net Debt / EBITDA[1]	3.7X	4.3X

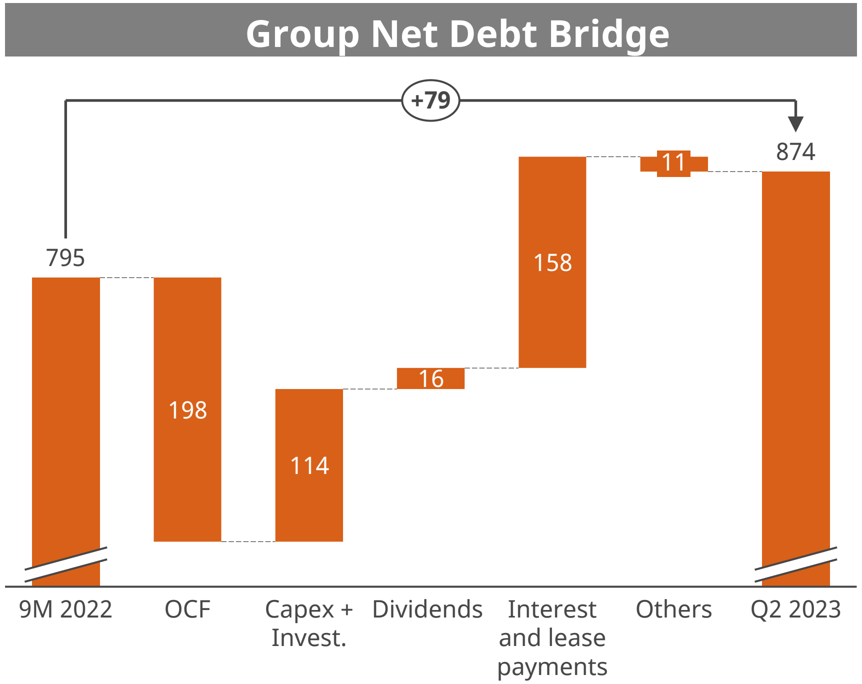


[1] Quarter EBITDA is annualized

Debt Profile (KD Mln)

Refinanced our credit facilities with cheaper interest facilities





- Agility has entered into a multi year funded equity collar agreements concerning a number of DSV shares.
- Those agreements allowed Agility to have access to around KD 770 million (Euros 2.2 bln) of relatively cheaper financing
- Proceeds from the equity collars were used to close a previous more expensive debt

Cash Flow Statement (KD Mln)

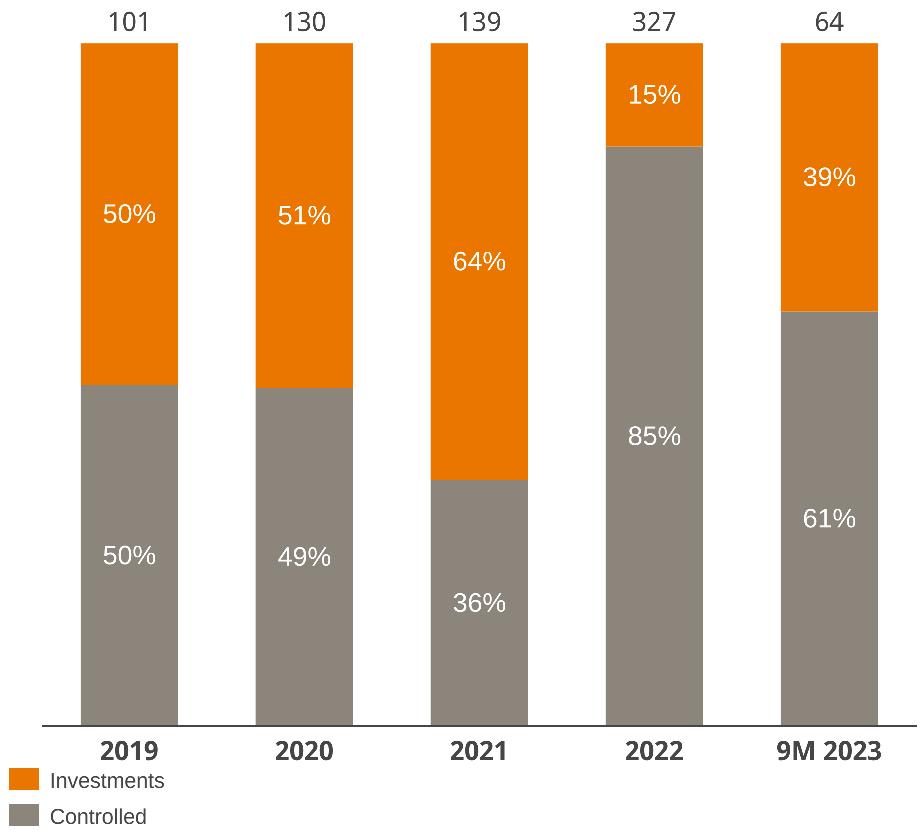
Agility has a healthy cash flow generation and will continue to reinvest in its businesses

Cash Flow Statement	9M 2023	9M 2022	Variance	%
Cash from Operating activities before changes in working capital	178.0	115.3	*62.6*	*54.3%*
Changes in working capital	-16.5	-60.5	*44.1*	*-72.8%*
Other Items	-17.8	-9.0	*-8.8*	*98.8%*
Net Cash flow from operating activities	**143.7**	**45.9**	***97.8***	***213.4%***
Net Organic Capex	-39.1	-27.1	*-12.0*	*44.4%*
Net Investments[1]	-25.3	-249.7	*224.4*	*-89.9%*
Net Movement in deposits	1.5	18.1	*-16.5*	*-91.5%*
Net Cash flow from investing activities	**-62.9**	**-258.7**	***195.8***	***-75.7%***
Free Cash Flow	**80.8**	**-212.9**	***-216.8***	***101.8%***

Financial Metrics

Conversion ratio (OCF/EBITDA)	80.0%	39.3%
Organic CAPEX as % of Revenue	3.9%	5.1%

Capex and Investment



[1] Investments & Acquisitions

2022 capex includes HG Storage and John Menzies acquisition

Agility's Operating entities delivering healthy growth Q3 2023

Aviation Services

+66%
revenue growth Vs Q3 last year

+50%
EBITDA growth Vs Q last year

► Growth Drivers

Menzies has benefitted from the post-pandemic recovery. Passenger flights to and from Europe, the Americas and the Middle East are back to pre-pandemic levels, whereas traffic in Southeast Asia and Australia is steadily recovering, whereas, volume in Africa remains below pre-Covid levels. Menzies has a number of new operations that it has launched or acquired during this quarter.

Fuel Logistics

+15%
revenue growth Vs Q3 last year

+22%
EBITDA growth Vs Q3 last year

► Growth Drivers

Tristar's growth is driven mainly by the performance of its diversified portfolio of businesses.

Other Controlled Businesses

+30%
revenue growth Vs Q3 last year

+21%
EBITDA growth Vs Q3 last year

► Growth Drivers

The main businesses to this group were:

- ALP reported 7% third-quarter revenue growth. ALP is continuing to pursue its growth strategy by increasing and optimizing its existing land bank and developing new projects.
- UPAC reported a 1.4% increase in revenue in this quarter. The increase was primarily attributable to an increase in revenue as the result of growth in air passenger traffic.
- GCS revenue grew 11.6% vs. the same period in 2022. GCS is focused on delivering optimal efficiency and services to its customers.

Q&A Session