07 April 2024

M/s Boursa Kuwait

Subject: Analyst Conference for the Fourth 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, through a Live Webcast, on Wednesday April 3rd, 2024 at 02:00 pm local time.

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

Best Regards,

Investor Relations Department

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Operator: Hello all and welcome to Agility's full year 2023 earnings webcast. My name is Lydia and I'll be your operator today. If you'd like to ask a question during the Q&A, please submit a written question in the chat box provided. I'll now hand you over to your host, Sidharth Saboo, to begin.

Sidharth: Thank you, Lydia. 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 Full Year 2023 earnings webcast. With us here today I have Mr. Ehab Aziz, Agility's Chief Financial Officer, and Agility's Investor Relations Team. Without further delay, I will now turn over the call to Soriana from Agility's Investor Relations Team.

Soriana: Thank you, Sidharth, and welcome, everyone, to Agility's full year 2023 earnings webcast. Our CFO, Mr. Ehab Aziz, will walk you through the presentation you can see on your screen and will be ready to answer all your questions at the end of the session. Don't forget to write your questions in the chat box. 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 I will hand it over to Ehab.

Ehab: Thank you, Soriana, and good afternoon everyone. Welcome to our year end investor call. I will walk you through the business update for the year and then the financials, we will also talk about the dividends, and then I'm sure you have many questions so I will try to address as much as possible. So I would like to start with a telescopic view of what the company has been doing, particularly since it was privatized in 1997, and I think the reason for that is for us to understand the current situation, drivers, decisions and activities that the company went through over the past. I would say since COVID, over the past-four years, roughly, and most recently the dividends and the listing of Agility Global on ADX. I also think it's very critical to understand the big picture and see at the high level what the company has been doing and what we went through over the journey of 27 years of managing the company.

So, as you might know, the company was privatized in 1997 when it was a very prominent, good company, but its financials and profile were limited to one country, proudly Kuwait, and the size of the company at that time was basically a company with around KD 9 million of EBITDA. Although it was a local hero, it lacked the regional or the global outlook and when the company was privatized in 1997, it embarked on a very rewarding journey, where we have transformed the company from being a very small, local warehousing company to what Agility is today. However, that went through different cycles and different iterations throughout the years and as you can see from this slide in 1997 to the end of 2002, the company was very limited in size and scope. By 2002, the management was able to expand to seven countries, and that was mostly regional countries and then our profitability at the time was very small, KD 8.7 million and as a result also the market cap back then was KD 123 million. Then we embarked on the major phase of expansion that was when the military business came to the region and the company decided to expand inorganically and grow by acquisitions where we made about 40+ acquisitions globally and we created what we called ultimately GIL which is Global Integrated Logistics.

And as a result, also the scope and the scale of the company expanded significantly. And this on paper sounds very natural and easy, but you have to keep in mind this was not like we are buying minority stakes in companies. This was real operations, expanding our management team, our talent capacity, our financial flexibility, our balance sheet, and our funding to grow the company. So, it was a very difficult and hard period of time.

Then in 2010 the company was significantly larger. Market cap reached more than KD 500 million, 22,000 employees, and our EBITDA went to KD 115 million by the end of 2010. The company by then was a global company, so it was impacted by what the whole world was suffering from which is the global financial crisis plus we had our legal issues with the U. S. Government, which we later on, settled and cleared. Then we refocused the company from 2011 to 2020 on being a global and commercial company. So, from 2003 to 2010 it was mainly a military business and acquisitions. Then starting 2010 we had no military business and the focus shifted to the commercial business and the platform that we have built in the previous seven years. I think back then in 2010, the perception about the company was that it will not survive without the military business and the company will have major issues and as a result, the market cap went down. It was a very difficult period with a lot of bad perception in addition to the global hardship, which every company faced and us as a global company were vulnerable to it. So, during this challenging time we had to fight a legal battle, where we genuinely believed that we have done nothing wrong, and to face a global financial crisis of that magnitude. We spent the next 10 years from 2011 to 2020 focusing on our core businesses, the Logistics, the Industrial Real Estate, turning every corner and every stone, cleaning up, resizing, refocusing the company and by the end of 2020, the market cap reached about KD 1.4 billion and our employees continue to grow to 28,000, 100 countries and EBITDA also continued to grow to KD 162 million. So, I think that was a very hard period because our dependency on the military business and the main source of cash over the previous seven years has disappeared but not only that, we were faced with a legal battle with the U. S. Government and in addition the global financial crisis affecting our global logistics business. And despite that, we have managed to prevail and grow the company and preserve the wealth of our shareholders.

And then in 2020, as we all know, the crisis of the pandemic hit everyone and we got paralyzed. Everyone at the personal level, at the company level, at the nation's level, everything stopped, and it was a shock initially, but then we realized very quickly that this could be an opportunity to monetize our logistics business. And we managed in 2021 to sell our logistics business for USD 4.2 billion to DSV in exchange for a stake in DSV. And at the same time, we also realized that the company; after selling the logistics business, which gave us the global presence, became at best a regional company and maybe a holding company with a bunch of assets and a bunch of shares. So we lost our identity, which was being a global logistics player. I think it was exactly a year after that when we acquired Menzies. And through the acquisition of Menzies, we managed to get back to being a global player, owning and operating assets, and in addition, we have this very precious asset, which is our stake in DSV, which we are very proud of having and we believe the company is the best in its league and has a lot of potential. So, from the time the pandemic hit in 2020 until 2023, those four years were very tough but also very rewarding at the same time for the company and its shareholders. We managed to shuffle our portfolio of businesses by selling GIL, we got a stake in one of the best players in the same field, so we are still indirectly invested in logistics. We got at the same time our hands on Menzies, which was a publicly listed company in the UK, in a very good time when the aviation industry was at its lowest as a result of the pandemic.

And then we reshuffle our portfolio where now we have Controlled businesses, like Menzies, Tristar, and where we also have our industrial real estate. And then on the other side, we have investments. The biggest part of that investment segment is DSV. And of course, we did all of that by leveraging the company. We had to leverage because we didn't sell GIL for cash. And you can imagine and I'm sure all of you went through it, we went from this ultra-low interest rate environment to this very high interest rate in a relatively short period of time. And we were sitting on about USD 2 – 2.5 billion of debt, and as a result of the high interest rates the market started to go down, because interest rates go up, the markets go down, the value of assets go down, and hence our stake in DSV went down. We have been trying to hedge the value of this asset since we got it. But for practical reasons, we couldn't do that on time. And then, ultimately, last year, we managed to hedge our stake. 75% of our stake in DSV is now hedged, basically, we bought an insurance policy through the funded collar. And at the same time through the funded collar, we got a relatively cheap debt capacity, where we could take that relatively cheap debt and settle our existing, more expensive commercial debt and put the debt with the collar so their maturity and their currency and everything goes hand in hand. So, between the sale of GIL and the acquisition of Menzies, which was almost a year after, the hedge of the DSV share, the reorganization of our financing, all that in the last four years and then on the top, we got some legal issues in Kuwait. So, you can imagine the environment we have been operating in. However, despite all of that, we continue to see our profitability and our EBITDA and our EBIT grow. Our business is becoming more and more resilient. Our business model, and we as a company, going from a KD 9 million, 27 years ago to being a KD 257 million EBITDA by 2023, I think it's something that we stop at, at least once a year and reflect and we look forward to continuing this journey. I think it is critical for us to put that in perspective, because that telescopic view gives you a sense of how the company is being managed, not just by words, but through facts and history throughout the years. So, you can get a sense of how this company could potentially be managed in the future and the amount of value creation that we are very much as a management team focused on.

We work for the best interest of our shareholders and nothing else. And I think we have proved through our track record, over an extended period of time, that despite all the challenges and despite all the different twists and turns that we have been through, we have been able create value for our shareholders.

So, from that perspective, this is a slide that shows you the EBITDA and how it has evolved over the years. You can see the KD 9 million in 1997 going to KD 257 million, which is the orange bar. And what we have done here, hypothetically, only for the purpose of this exercise, because DSV investment, we own almost 9% today, doesn't get reflected anywhere in our income statement. Because of the accounting treatment, it only gets reflected into our equity and any change in the stock price goes there, but effectively being strategic investor in DSV, with 9% ownership of that business, that 9% today translates into around KD 90 million of EBITDA, which is our hypothetical pro-rata stake in DSV. So, if our ownership is not 9%, we could account for it differently. But since it's only 9%, we can only take the the change in the stock price through the P&L or through the equity and we opted for the equity treatment. So, this is just to show you that from a P&L perspective, you as a shareholder today own, in DSV, KD 90 million worth of annual profitability. And when you add that to the KD 257 million, our EBITDA today is about KD 347 million. And again, this is a strategic exercise, it's not an accounting exercise or we're not trying to mislead you to think that our profitability is higher, but this is just to give you a sense of the magnitude of the underlying profitability of the investment sector as well as the controlled businesses.

So, you can see from this slide that DSV alone today, our stake in DSV is almost 10 times, the EBITDA in 1997 when the company was privatized. So, when the company was privatized in 1997, the shareholders were getting KD 9 million. Today, the shareholders have a claim on KD 90 million of DSV EBITDA, which is almost alone 10 times of the whole profitability in 1997, and then the KD 257 million we will talk about in in the next few slides.

So now I will move from the telescopic view to maybe microscopic view. So, I move to the performance of 2023, and I think this is just a list of the different events that have been announced. And, you know, the major event here was the multi-year funded equity collar. As I explained, by doing this we actually hedged, so we got protection for the DSV stake, and also, we provided stable and cheaper liquidity to fund our operating businesses. There is a specific section in our financial statement about the legal claims in Kuwait and outside Kuwait, it's quite comprehensive and you can read that on your own. It has all the details and updates from the lawyers, describing exactly what is happening, all the steps, what actions have been taken, etc. So, if you need to know more about that, you will find a very comprehensive note in the financial statement.

In terms of the key numbers for the quarter, revenues were flat, net revenues were up 15%, EBITDA was up 22%, and then net profit was down around 2%. You have to keep in mind that the increase in financial costs has been quite significant over the past year or year and a half, and I think going forward, it should level down as a result of hopefully a declining interest rate environment, but also the cheaper debt that we got through the funded collar. I want to remind you that the funded collar took place in two tranches. One was in April, and one was in July. So the impact of that funded collar, lower interest rate should be clear in the next few quarters.

In terms of the full year, I think we had an impressive year and, the year was an extremely positive year for our operating businesses. You can see revenues up 57% and that is a function of the full year effect of the acquisitions, the consolidation of Menzies and HG Storage, but also due to the recovery in the business, particularly in the aviation space, I think we are very close to the 2019 numbers in terms of aviation recovery, and we are very pleased and very happy with the performance of Menzies so far as well as Tristar, and definitely the logistics parks, predominantly in Saudi today. Net revenue is up 73%, EBITDA is 43%, and net profit is as you know, at a slower pace of 23%. And that's again a function of interest rate increase.

This is a slide that we started putting in our presentation since we did the DSV and the Menzies deal to show how much the contribution to our P&L from the two segments, and you can see that the Controlled business has an even much higher performance because of the negative impact of the Investment on the overall company.

Again, this is our balance sheet. We continue to enjoy a strong balance sheet, total assets of around KD 3.8 billion, and the equity attributable to the shareholder is about KD 1.8 billion. If you look at the right side you can see how much of our assets is in the controlled segment and how much is the Investment and you can see the 60:40 split and that also signify the importance of the investment segment in our financials, which due to the accounting treatment doesn't get reflected into the P&L. So, if you look at the company going forward, and you want to assign a value to the company, you cannot ignore any more the Investment side, which is predominantly the DSV stake. The Controlled portion is about 60% of our balance sheet, and that has been growing over the last couple of years. You can also see that our net debt to EBITDA has improved, and that improvement is more due to the increase in EBITDA, because you can see the net debt has increased by about KD 86 million but the net debt to EBITDA metric went down from 4.4x to 3.5x as a result of the increased EBITDA.

I think this is an important slide because it shows the debt and I know that our debt optically and genuinely is at a high level, but how we restructured our debt today, we feel very comfortable about it. I wasn't comfortable a year and a half ago or almost a year ago at the beginning of 2023 because, as I said, interest rate was going up so almost every 1% increase in interest rate translates into roughly USD 30 million of additional interest. And we needed cash to transform the company over the past several years, so we had to borrow. We always believed DSV is a very good asset to own for the medium and long term, and hence we didn't want to sell any stake, and you can see, we got 8% initially when we did the deal with DSV, today that 8% became 9% in DSV because DSV has been buying its own shares and we have not been participating in that. So, overall, a year ago, or a year and a half ago, I was quite nervous because of the level of debt, the higher interest rate, as I mentioned each percent roughly translates into USD 30 million and at the same time, because of the interest rate environment, the market has been extremely volatile. So, the value of the shares in DSV has been going through a lot of volatility up and down. That volatility is reflected in our equity and at that period we are unhedged.

So, I think this year, given that we have been able to hedge 75% of our stake in DSV, so we have an insurance policy on the downside. And as a result, we got the debt on the back of that. So now the debt is linked to the shares and it’s a medium-term maturity debt, as you can see here, 38% will mature in 2026 and then 51% in 2027, then 11% in 2029. That gives us flexibility, because we can always extend the hedge if we want to, since it’s a bilateral with the banks. And as a result, the debt can also automatically be extended. So, it is much more flexible and much safer to structure it this way. And at the same time, we locked the interest rate which was relatively lower than what we were paying previously. So that gave us peace of mind in terms of the P&L impact. Note, we had to pay that up front, as a prepaid interest. And as a result, you will see that in the cash flow. But on the P&L we amortize it, so that's more of a cash flow issue rather than the P&L issue. But anyways, lower interest rate and more alignment of debt to asset, but more importantly, we got most of our debt in Euro because the underlying asset, which is DSV, is Euro based. So, we hedged also 87% of our debt, got it linked to the Euro, and in terms of maturity, we have the flexibility now, as and when we need to extend our hedge, our funded collar, we can also extend the debt. So, this slide, the importance of it is that we are in a much better and much more stable place today than we were a year ago or two years ago.

This is the cash flow. You can see that our free cash flow has been positive this year. As communicated before, since 2015 we have embarked on investing in the business and as a result you realize that our debt level has been increasing over the years since 2015. I think we are done for now for any major investment. The focus now is on managing the three key businesses that we have within the Controlled businesses organically and inorganically. And I think each business has its own capacity to continue to grow. And I feel very optimistic about the future of these businesses. They are in a very strong sectors with very robust cash flow generating ability, and I think they will not put major burden on the corporate and our ability to maybe pay dividends in the future. And then if you look at the CapEx and the investment, you realize again 2023 has 58% Controlled and 42% Investments. Again we are not investing in buying shares in DSV or any additional shares, but this is mainly the funding to Reem Mall because Reem Mall today is funded through a convertible debt at Agility level, and hence, for now, it is classified as an investment, and hence, you can see the 42% of the capex for 2023 is mainly the investment in Reem Mall or the funding that went to Reem Mall from our side.

This is just a snapshot that shows the significant year-over-year performance in the aviation on the top line and the EBITDA line also on the Fuel Logistics, which is mainly Tristar and then all the other controlled businesses.

Again, in Aviation there has been a significant recovery. We are almost back to the pre-COVID levels. I think the company is much more fit today and I think we feel very optimistic about the future of that investment that we have made in Menzies. And I think it has a lot of potential going forward.

Same with Tristar. We bought this company from Eugene in 2003. We bought 80%, today we own 65% and it's just amazing to see the amount of progress and the amount of value creation that has taken place over the past 21 years. And then the other controlled businesses, that's the ALP, that's GCS, and UPAC. Still very strong businesses, revenue is up 10% and EBITDA is almost flat vs. last year.

I think we need to talk about dividends. If you look at the Agility's history over the past 20+ years, we have paid dividends almost every single year except in 2022. And I think it's worth maybe repeating what we tried to explain last year about not paying dividends because I think there has been a lot of misperceptions, a lot of speculation about the reason why we did not pay dividends last year. But if you think about what I just explained, the situation last year was higher inflation and as a result higher interest rate, everybody last year expected recession. And for us with the amount of debt we have back then at the group level, this meant significant amount of costs, cash and expense to the group P&L and then on the top we got one of our major assets, which is DSV,the stock price of such asset has been declining along with the whole market because when interest rate goes up, asset values go down, and DSV is no exception. So, the DSV stock price has been going down significantly. And then we were hit by legal dispute in Kuwait, which we didn't know how this macro and the microenvironment in Kuwait would evolve. So it was only prudent not to pay dividends last year, because when you are dealing with such uncertainties, I think you have to be very prudent and think about the best interest of the company. In the Board, which is only natural, some Board members were for distributing dividends and there was a debate, but I think the right decision was made from the Board last year that it is prudent not to pay any dividends to the shareholders for 2022. So, we were not like penalizing or trying to punish shareholder, because end of the day, the company belongs to the shareholders, the dividends belong to the shareholders. And if the dividends are retained in the company, it's retained for the benefit of the shareholders, not for the benefit of anyone else. So, it was a bit puzzling to read some comments about the management or the Board trying to punish the shareholders, because I think that’s very unreasonable, to be honest and frank, the decision was only out of prudence and it was the right step to take and not distribute, particularly, cash dividends. So, the company was in a much more resilient place to be able to thrive and continue to face the challenges that we were facing in a more resilient way. So, this year, as I explained, no analyst today is expecting a recession, which was not the case a year ago, inflation expectation is lower and hence interest rate has been stable and expected to go down. And as a result, asset prices have gone up, including DSV. And when that happens, we were ready to transact with the funded collar. So, we took advantage of the surge in the stock price of DSV and we locked our insurance policy, funded collar at a very good rate. And as a result, we were able to get a cheaper loan to repay our relatively expensive commercial debt. So, we are definitely today in a much better position compared to last year. And as a result, the Board decided to distribute cash dividends and as we have announced there is an interim dividends distribution, with the record date of

18th of April and then for the full year financials, there is a cash dividends of additional 10 fills. So, in total, there will be around 20 fills in total.

And then, I think we can get into the in-kind dividends, which we fully understand that this is probably the first time it happens and it's not common. In essence, we are giving the shareholders part of their company in the form of an in-kind dividend and that part of the company is materially the international operation that has been put under Agility Global PLC, and that company is pursuing listing on ADX. Now, I know there has been lots of questions about putting a tag price to this company, and unfortunately, no one would be able to answer that question until the listing date, where the supply and demand dynamics in ADX will determine how much this company is worth. So, our view as management is that today this in-kind dividend in itself is technically not adding value. We are not giving anything that the shareholders do not own today. It is not a transaction where we have acquired something or sold something. It is a distribution of part of the company that the shareholders already have. So, the question then becomes, why would you do this? If you notice in the first slide with the market cap and the value creation, we believe the value creation for the shareholders is coming from two parts. Part one is the price appreciation of the stock and the market cap increase, not just the per share price, and part two the cash dividends. If you look historically, I think 20% to 25% of the value creation that we have generated - which is about 20 times the value of the company at privatization - is coming from cash. So, we distributed cash dividends and then 75% to 80% is coming from market cap appreciation. But if you notice in the last year, because of the legal situation, and the perception that this is becoming a holding company, the market was unable to assign clear value to each asset separately and as a result there was a discount to holding companies. We believe the best way to crystallize and unlock that value is by showing how much this piece of the business is worth and hence any listing of such an asset will over time, because of the supply and demand, allow the market to be able to assign a value. So, once that value is crystallized, the owners of the parent can easily figure out what is the sum of the parts of their holding and how much Agility is worth. It's a bit technical. I know many of you understand that, but in essence, this step is meant to crystallize the value of the underlying assets, the international assets, that we have. And by doing so, we hope that the sum of the parts post listing far exceeds the sum of the parts prelisting. That's the hope, and that, we believe, is going to be the case. Maybe not initially because there will be maybe supply and demand imbalances. There will be some volatility initially, but ultimately, the market will, as Buffett says, “it's a weighing machine”, and we believe the market will weigh that asset and assign the true value of such asset that today is definitely discounted, being part of what is perceived as a holding company. So that's the intent and that's the thinking process behind that.

The other key issue is that with this in-kind distribution, Agility Public Warehousing Company KSCP, the parent company will have a controlling stake of 51% of Agility Global PLC and as a result of that Agility Global PLC numbers will be consolidated with Agility Public Warehousing Company. So yes, the equity of Agility Public Warehousing Company will be lower. The carrying value of the 49% of Agility Global is KD 800 million and that is definitely going to be classified from equity to minority. But mind you, a very important point, the 49% minority is going to the existing shareholders. There is no external capital, there is no capital increase, there is no primary or secondary sale of the shares there is no valuation whatsoever. Every single shareholder in Agility parent today will get the same exact treatment of the share of Agility Global without any additional third-party money coming in. Which means, yes, the equity will go down by KD 800 million, which is the estimated carrying value today, this number will be 100% clear at the time of distribution. So, this amount is going from equity to minority, but who's the minority here? The minority is all the shareholders of Agility. And I think that's the best way for us to make sure that there is equity and fairness and avoid any misperception of valuation of Agility Global. So, every existing shareholder is getting the same treatment. We are going to work with investment banks, to make sure the value of Agility Global PLC is clear. We will engage in roadshows and try to make it clear to the market, so analysts understand the value of Agility Global PLC. So, when the listing happens, there should be a clear value crystallization for our shareholders. Agility Global PLC is also expected to have its own dividend policy, and it is likely that Agility Global PLC will distribute dividends in 2024 but that dividends is subject to the approval of its Board and the regulatory approvals. The management is doing its best to make sure that this asset, when it gets listed, gets assigned its fair value, which should be reflected on Agility's KSCP shareholders.

Maybe we did not mention that in our announcement, but we are working with several international banks on this project; to name some such as Morgan Stanley, Citi and FAB are involved. I think we have the best advice that we can get for such a transaction. So, rest assured that we are doing everything possible to make this a success. There might be some volatility initially because its predominantly Kuwaiti shareholders trying to trade on ADX in Abu Dhabi. We have appointed Markaz to help facilitate the opening of accounts and NINs and I think there could be some imbalances between supply and demand and that supply and demand, hopefully over time, will balance out and the real value of the company, through the education and through raising the awareness of Agility Global in ADX and beyond, gets the right traction, which hopefully will get reflected on Agility KSCP shareholders.

So, this presentation is available, so you can read through the different points. In terms of timing the board's approval was March 27th. The record date is April 18th and the last trading date is April 15th and then we expect the listing and the distribution of shares to take place on May 2nd, so these are the key dates, concerning the in kind dividends. I think with that, I can conclude my presentation. This was a longer call than our usual call, but I will try to address all the questions and then conclude. Also, the IR team and myself will be ready to take any calls to answer any of your questions, if need be, over the next several weeks.

Questions and Answers:

Khaled: The equity and the impact of the in-kind dividend over on the financial statement and how we will deal with that and the decrease?

Ehab: So, I want to reiterate what I just mentioned about the in-kind. The accounting treatment will be as such: the KD 800 million, which is an estimated amount, will move from equity to minority interest. But again, mind you, the minority interest, is the existing shareholders of Agility. There is no external capital coming here. The company is not being sold to anyone. The company is being attributed to its owners. So today if you are an Agility owner, shareholder, you have one share of Agility. At listing you will have one share of Agility and two shares of Agility Global because the ratio is two to one. So, the value of the two companies should be the same. We hope that post listing and over time, the market will understand better the value of Agility Global and hence, the sum of the two parts that you have will increase over time. So, this step is meant to crystallize the value of Agility Global, which we believe is discounted today as it is under what is perceived as a holding structure and by this step, we hope that the value would increase. But technically, if you hold the shares, the economic value that you are receiving today is not going to change. The market value might change over time, but the economic value in terms of profitability and everything will remain the same. From an Agility perspective, balance sheet, everything will be consolidated in Agility. Another question about financing. As of today, there are certain arrangements between the parent company, Agility KSCP, and the subsidiary, Agility Global, on the financing. But the intent and the plan is once the transaction takes place and the listing takes place, each company will go and have its own financing structure based on the merits and the underlying profitability and assets of each. So, in the short term, there might be some dependencies, but longer term that dependency should not exist.

Khaled: The KD 150 million from the final decision about Korek?

Ehab: We got the Korek decision in our favor, and we are now in the process of execution and implementation of the decision, we believe after a long period of time and lots of legal efforts we are finally prevailing and getting back our shareholders' right. We believe we have been extremely unfairly treated and deceived, which has been proven through the legal actions we have taken. Finally, the court has seen that and it's a matter of executing now and we believe we are able and capable of executing that decision. So, we cannot take any of that on P&L or anything at this point of time and as and when we execute and based on the amount collected, that gets reflected in our financial statement.

Rajat: Thanks for the call. What could be the potential listing time frame for Agility Global. Where does Reem mall and other Associates GWC / SPVs get segmented. Will they be part of Agility Global as well. Update on Reem Mall - current ownership, occupancy, Rental Income, EBITDA Can you please confirm on the debt allocation for Agility Global. Is all debt other than KD denominated debt assigned to Agility global. Is it reasonable to assume significant portion of current finance expenses will be assigned to Agility Global? Which assets are part of logistics revenue line item currently - Tristar and HG Storage only. Pls confirm? Is there a strategic plan to list some of the other assets within Agility Global Portfolio - JM, Int. ALP, Tristar etc?

Ehab: REEM Mall will be part of Agility Global, which again, I want to reiterate that Agility Global will be consolidated ultimately with Agility, because Agility KSCP owns 51%. So REEM Mall is part of Agility Global. And the update on the mall, I think today we are at roughly 70% occupancy, and the Mall is gaining momentum day by day, month by month and again, it's a long-term investment. We believe ultimately it will work out. It's not an easy investment. Of course, today the upbeat environment in the UAE, and the improved economics and hopefully lower interest rate, all these are positive factors that contribute to the success of the Mall. But again, for us as Agility, our investment is through the convertible debt. We have the right to convert that debt based on certain criteria. For now it's convertible and we're not consolidating the assets and we're not taking control of the assets and this is for the best interest of Agility's shareholder. But I see time will come where we convert and then consolidate the asset into our financial statement.

I addressed the question about the debt, a big chunk of the debt is going to Agility Global. Because, as I said the debt is structured along with the funded collar which is related to DSV, and DSV sits under Agility Global. So, a big chunk of the debt is going to Agility Global. Agility KSCP will have some debt, however, both debts will be refinanced. Both companies will be refinanced in the very near future. We don't intend to keep the current structure as is. It's also an extremely orderly spin but I think there are practical things that we need to deal with over the next year or so, and debt is one of those.

Nadeen: Finance cost paid for YE2023 is quite significant vs YE2022 - is this related to prepaid interest charges in connection to the funded collar? if so, how much of the finance cost paid for YE2023 is attributed to the collar?

Ehab: So, I assume because you are mentioning finance cost paid, you are looking at the cash flow, and yes, that is attributable to the funded collar. As I said, the interest for the funded collar gets paid in advance. Of course, if we close the funded collar earlier than its maturity, we pay only the pro rata portion of the interest. So, it's not gone. But the result of it is that you get a significant cash outflow, which I think is shown in the cashflow statement for the year end 2023. And then we amortize that in our P/L from an accounting perspective over the next three years or so, which is the period of the debt.

Yousef: Will there be a lock-up period for any shareholders on the direct listing of the in-kind shares in Abu Dhabi? What is the purpose behind creating Agility Strategies Holding (new subsidiary)

Ehab: I don't think there is a lockup because it is a technical listing on ADX. And again, I want to remind you that the 49% is actually going to the existing shareholders. There is no money coming from outside. There is no third party involved. So it's absolutely balanced from a shareholder perspective. It's absolutely balanced and fair. All shareholders get the same exact treatment, regardless of their size. So there is no lockup. I think all the shareholders will be free to trade the shares upon listing.

Another part of the question is about the purpose behind creating Agility Strategies Holding. Don't read too much into the different legal entities because the legal entities are either for financing reasons or we segment some of the shares for DSV in certain buckets because of the funded collar. So Agility Strategies Holding, was a subsidiary that we used to put some of the Agility DSV shares in it that might not be related to the existing financing structure. So, you know, we are very transparent when it comes to any substantive subsidiary or anything. But we have so many subsidiaries as any other company, and we do that either for legal reasons or for financing reasons, so there is nothing behind creating Agility Strategies.

Yousef: Will all international operations of Agility be transferred to Agility Global Abu Dhabi or will there be some international assets be held by Agility Kuwait

Ehab: So, most of the international operations are now held by Agility Global and Agility Global is held by Agility Kuwait, at listing 51% will owned by Agility Kuwait. And although we have done some reorganization, but this structure has been anyways the legal structure, predominantly, So, nothing is changing. Agility Kuwait did not own most of the assets directly. It was always through subsidiaries. So, we just reorganized things in a way to allow Agility Global to be listed and as I explained to unlock value for shareholders by improving visibility and by improving the understanding of Agility Global. And the hope here is that the sum of the two shares for Agility shareholders exceeds the sum of the two shares today, or the value of the one share that you have today in Agility KSCP.

Ramzi: How will the debt be split?

Ehab: I think I explained that.

Duncan: When you say recognize the value of Agility (HoldCo) from this list on the ADX - do you mean the some of the parts being Agility Global and DSV stake? Also will Agility Global own the military contracts in Kuwait? or will that be under the KW listing?

Ehab: So I think these are like multiple questions so what I mean by recognize the value of Agility HoldCo, technically, and I'm sure you all are finance savvy guys, today distributing part of the company to the shareholders is exactly the same, it doesn't in itself create any value. There is nothing incremental being added here. So technically today you own everything under one share. After listing you will own everything, which is the same pie under one share in KSCP and two shares in ADX of Agility Global. So, technically if the market is so efficient and understand everything, it should be exactly the same. But since we believe that the international operation of Agility is misunderstood, because it's part of what is perceived as a holding company, and usually holding companies are traded at a discount, one way to unlock value for the shareholder is to take part of it, which we are doing in this case, Agility Global and listing it. So, this particular piece has a better visibility and better understanding, and hence the market can assign a higher value to it. And that value we believe should be higher when it's independent and perceived as an independent company, it will be higher than it is being part of a basket of assets, which is Agility KSCP. But since Agility KSCP is a 51% owner of that company, and since Agility Global is being distributed to the same exact existing shareholders, the beneficiary of that split is the existing shareholders of Agility or the shareholders as of the record date, which is April 18. So, there is no leak, there is no asset that is going for a value that is subjective or being assigned a higher or a lower value. We made sure that we do this in a very transparent way, and in a very technical way that all the shareholders and their rights and their value is being protected. So, our hope is that once this piece is crystallized and put in a different light, the value of that piece will be higher, and then accordingly, the value of the existing piece also is better appreciated.

Ehab: There is a question around if the stock in the market will be adjusted post listing. I don't know how the stock market regulators will treat it., My understanding is this distribution will be treated the same way as the cash distribution. And accordingly, the stock price the following day will not be adjusted automatically. However, the market might decide otherwise. The supply and demand of the market might decide. So, technically, it should be treated as a cash dividend, but the market might perceive that the part that is being traded in Kuwait should not be the same. And since I, as a shareholder, have that part in Kuwait and another part in Abu Dhabi, the sum of the two should be the same as the price of the single stock in KSCP. But again, that's the supply and demand and the perception of the market and how people will perceive Agility Global Plc trading and what value it is being traded at and accordingly they can make the judgment if the stock price in Kuwait should be lower or not. But my understanding it is not going to be an automatic adjustment from the market. And again, this is my personal view and based on what I got from our legal advisors, that this will be treated as a cash dividend. And accordingly, the price will not be adjusted automatically. However, that needs to be confirmed and validated by the regulators and Boursa, and hence, it will be left to the market to decide what is the value of that piece in Kuwait today and hence the market price.

Ehab: Yeah, I think I addressed that the debt of Agility the parent, most of the debt, is moving to Agility Global. So Agility Kuwait will have a portion of debt that is much smaller than the total debt today and that part will remain in Agility Kuwait. But since the company will be consolidating everything, optically, you will get the total debt on the balance sheet. But Agility Kuwait will not probably be responsible for the majority of the debt today because the debt, as I said and explained is related to the funded collar, and that funded collar sits under Agility Global and Agility Global today will have its own financing arrangement.

Going forward, post listing, both companies will reach out to our banking group, which has been extremely helpful over the past several years and also particularly understanding this transaction. We will reach out to the group of banks and then work on specific financing for Agility Global and specific financing for Agility Kuwait. I think I have answered most of the questions. Again, if I missed anything or you have further questions, you can always reach out to our IR team and myself and we will be more than happy to engage with you, answer any questions. I know there has been lot of speculation, a lot of confusion. That's not due to lack of communication. I think it's because this transaction is new, it's unique. We don't have any precedent before. So, I think everybody's trying to get their head around it, make sure they understand not the transaction itself, because I think the transaction is well understood, but the impact of the transaction on the existing share.

I hope I have explained as much as I can with the available information I have, because end of the day, the ultimate test is going to be in 6 months or 1 year from now, when Agility Global is listed, we have done the work with the analyst and with the investment community, then the market will be able to put a fair price to Agility Global and that fair price, we hope and we believe should be higher than what it is today. And then hopefully over time, the market will have a better appreciation of the combined value of Agility today and assign a fair value for the combined entity. So again, we will try to address any question and explain anything. The thing that we cannot answer is what would be the price of listing, because that will depend on the supply and demand. Also, supply and demand will take time to pick up because it's mainly Kuwaiti investors, I mean, 90% of our shareholders today are Kuwaiti Investors, so we have maybe 10% or so non-Kuwaiti, and that has been listed on ADX so it will take time for the demand to pick up and also for the supply to be available. So accordingly, hopefully the amount of volatility and the length of the time it takes to settle on a fair price is as short as possible and the management is doing everything possible with its advisors to tackle this and make sure we have a successful listing. And again, I want to finally put this in the context of the first couple of slides I shared with you. This is a journey of value creation for our shareholders. This is not a tactical move. This is not a reactive move. This is part of our story, and I think that's why I wanted to share that long 27-year story with you to understand how the management behaved and the amount of value creation that has been created. And that step is just an additional step in that journey of value creation. With that, I have concluded my presentation and addressed most of the questions and as I said we'd be more than happy to address any further questions you might have.

Operator: This concludes today's call. Thank you for joining. You may now disconnect your line.

Agility Earnings Call Presentation

Full Year 2023

April 2024

Agility

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Agenda

1. FY 2023 Business Update
2. Group Financial Performance
3. Dividends
4. Q&A

Agility Shareholders' value has increased 20X Since 1997 with an IRR of 17%

Agility

Agility Growth Story

1997-2002

Building base as a local warehouse leader

Company privatized
Divested non-core assets

Agility Logistics Parks
Built high quality warehousing infrastructure at scale in Kuwait to offer 3PL logistics

Market Cap	KD 123 M
Employees	5,000
Countries	7
EBITDA	KD 8.7 M

2003-2010

Growing into a regional and then global logistics player

Expand the Footprint to become a Global player in Logistics and transportation

Over 40 acquisitions globally to build GIL business. Included are the acquisition of Tristar Fuel Logistics and set up of NAS Aviation Services.

Agility Logistics Parks
Regional expansion

Rebrand from PWC Logistics to Agility

Market Cap	KD 544 M
Employees	22,000
Countries	100+
EBITDA	KD 115 M

2011-2020

Resilient portfolio and value creation across diversified lines of business

Optimize portfolio of business by moving from one operating unit to a strategic controller of operating businesses

GIL: top 20 freight forwarder, network in 100 countries.

Agility Logistics Parks
Largest private industrial real estate operator in MENA

Minority Investments

RM 20% stake | NREC 20% stake

Market Cap	KD 1,370 M
Employees	28,000
Countries	100+
EBITDA	KD 162 M

2021-2023

Repositioning for Future growth

Fueling growth through acquisition

Sale of GIL for $4.2b

Tristar acquired 51% of HG Storage

Acquired Menzies & became largest aviation services company in the world by number of countries

Agility Logistics Parks
Further grew & solidified Saudi Arabia platform

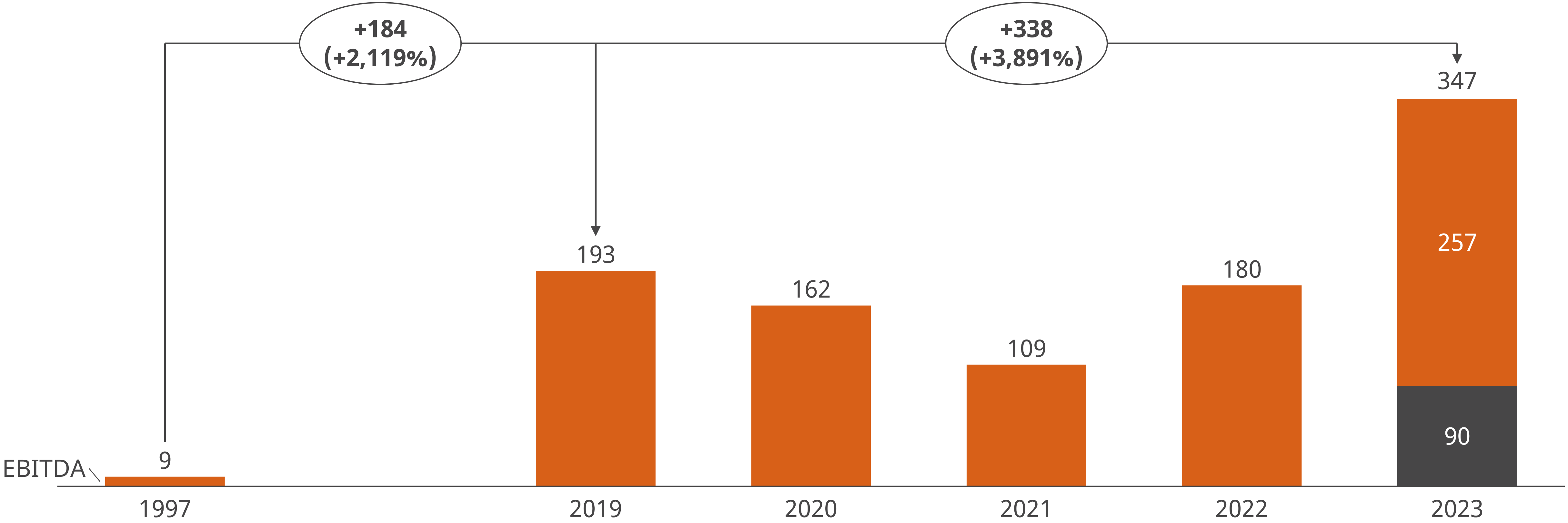
Minority Investments
Acquired stake in world's #3 freight forwarder

DSV 8.8% stake

Market Cap	KD 1,360 M
Employees	55,000
Countries	65+
EBITDA	KD 257 M

Notes
1. All numbers reflect the end of the timeframe listed

Agility EBITDA Evolution since privatization (KD Mln)



Growing from a local player to an Globall Logistics and transportation company spanning over 120 countries.

Period of major transformation: Year on year this period was marked with volatility from the global pandemic, geopolitical risk and macroeconomic turbulence. We were able to sell GIL for an 8.8% stake in DSV, acquired Menzies to become the owner of the largest aviation services business, and grow our fuel logistics with the acquisition of HG storage.
Active balance sheet management enabled us to protect around 75% of our investment in DSV and 28% our total assets, through the funded equity collar, and reduced our interest expense.

Notes 2023 EBITDA is a hypothetical view, which doesn’t reflect the current accounting treatment, taking into consideration the proportionate ownership of DSV EBITDA [est. at kd 90mn] and done for illustrative purpose only

Major Event - 2023

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

Key Events

Major News:

- Agility has signed 2 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, in addition to have access to a relatively cheaper funding.
- 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.
- Expanded the warehousing business into Egypt, Agility entered into a joint venture "Yanmu" to develop and operate modern logistics parks in Egypt.
- Growing its presence in Saudi, 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.

- 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

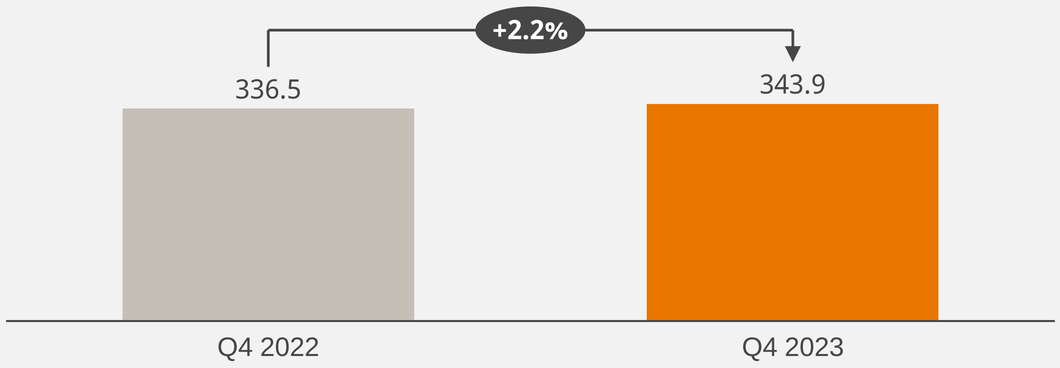
Financial Highlights Q4 and FY 2023

Agility

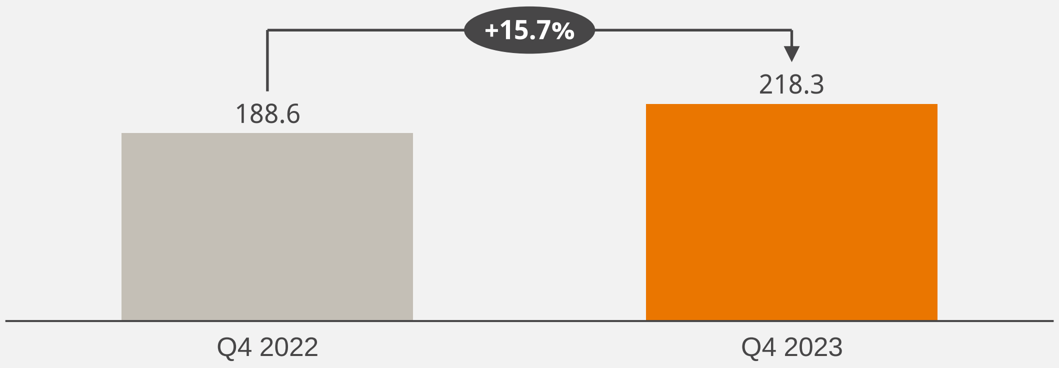
Agility Income Statement – Q4 2023 (KD Mln)

Agility continues to deliver good results across its business group

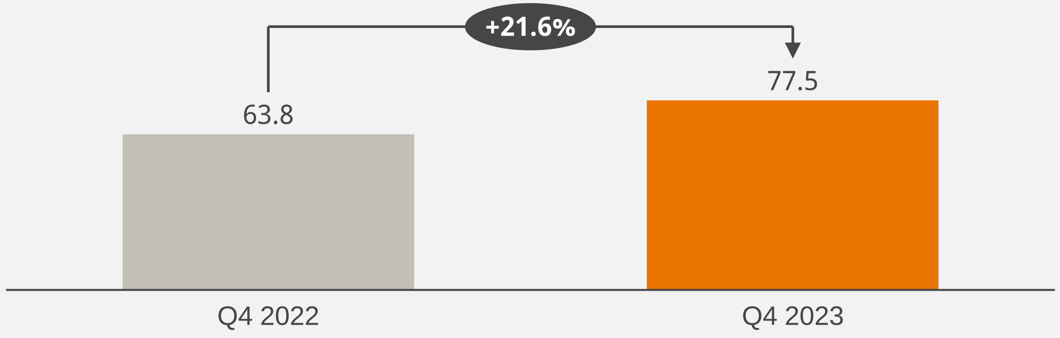
Revenue



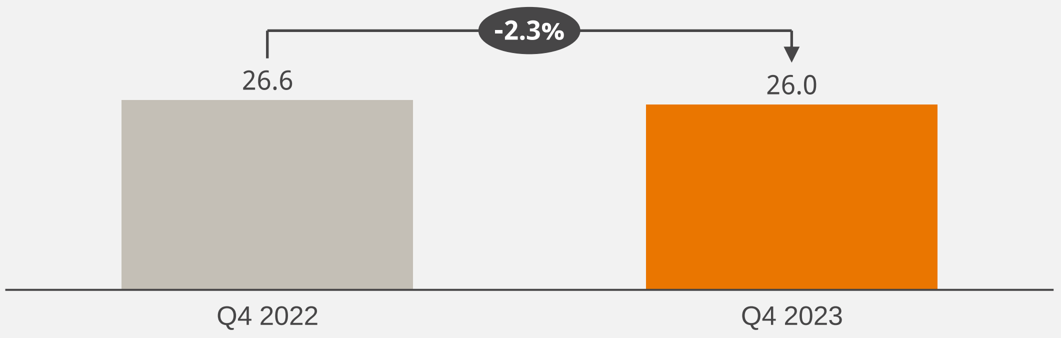
Net Revenue



EBITDA



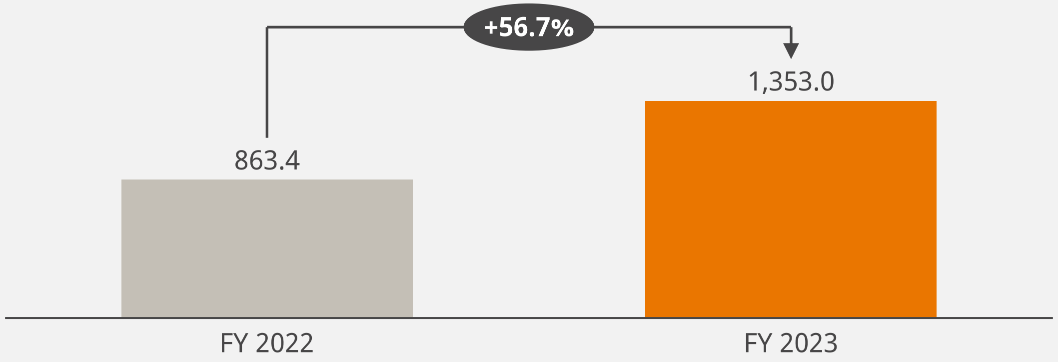
Net Profit



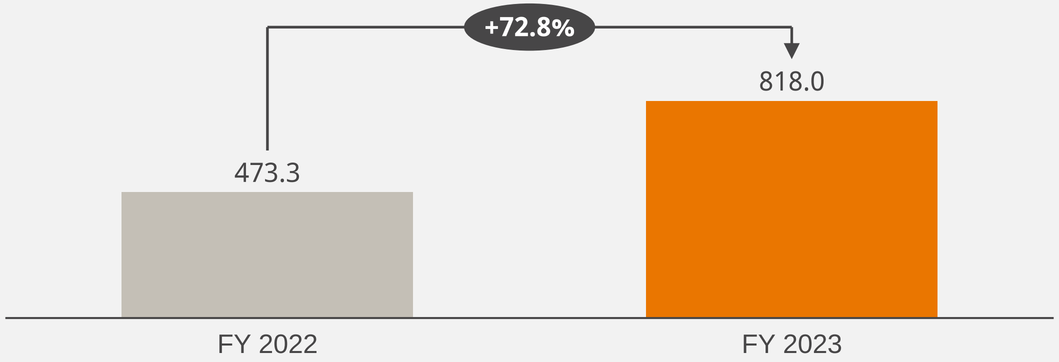
Agility Income Statement – FY 2023 (KD Mln)

Agility continues to deliver good results across its businesses

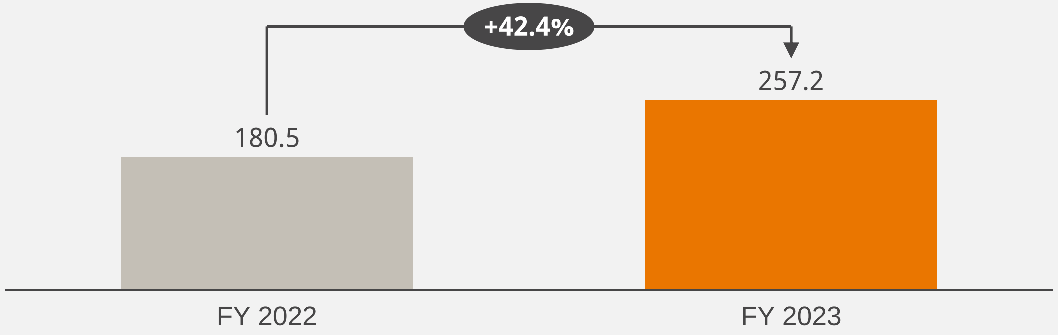
Revenue



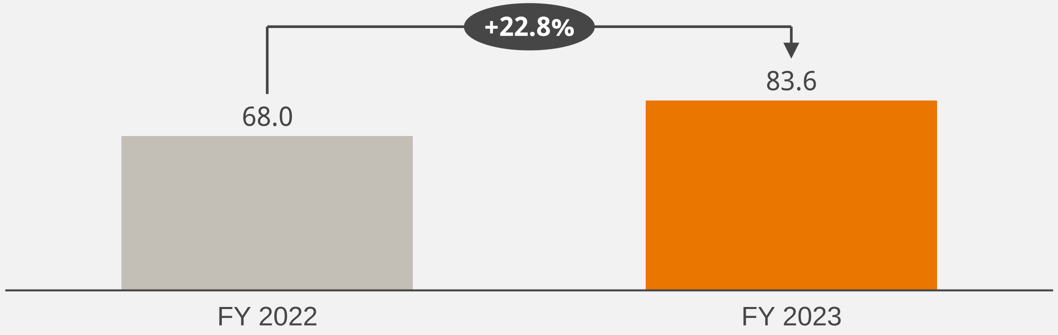
Net Revenue



EBITDA



Net Profit



Agility Reported Income Statement – FY 2023

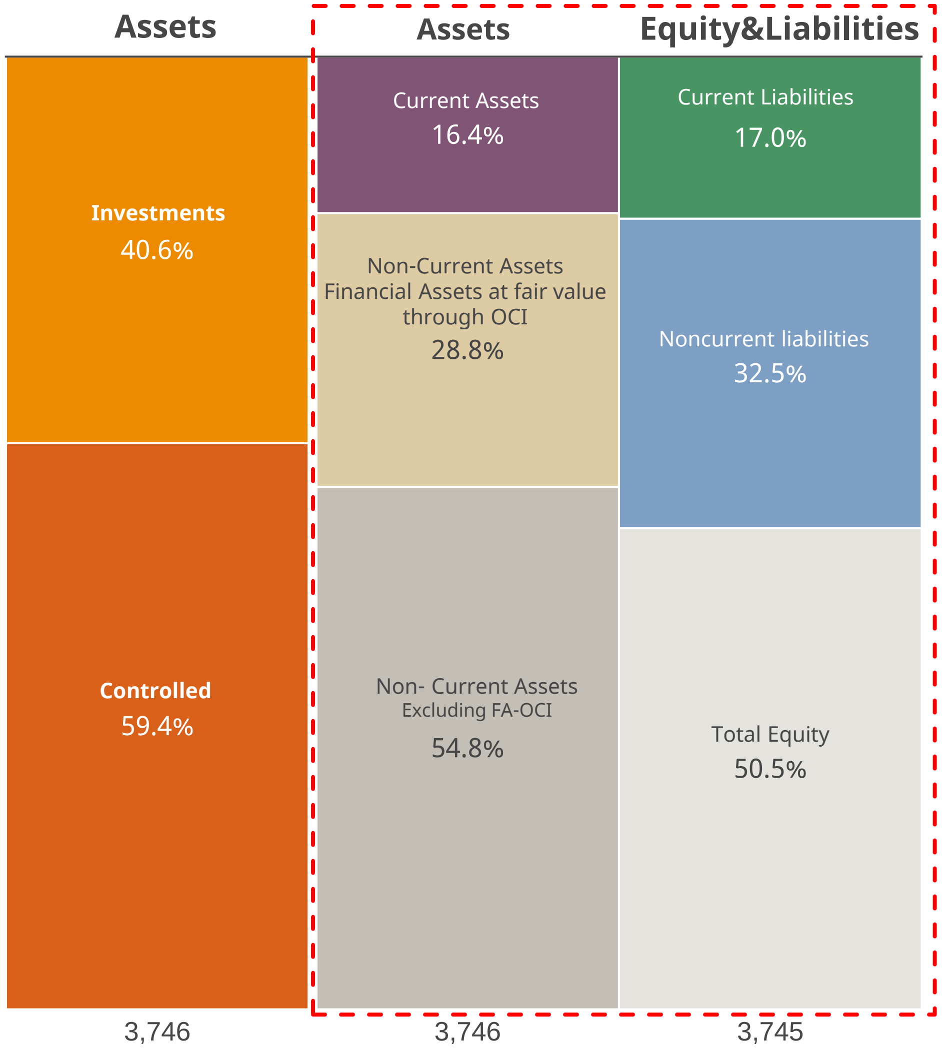
EBITDA reflects mostly the controlled businesses segment financial performance. The investments segment is mainly accounted for as per IFRS9

	Controlled			Investments			Consolidated		
KD Mln	**FY 2023**	**FY 2022**	**Variance**	**FY 2023**	**FY 2022**	**Variance**	**FY 2023**	**FY 2022**	**Variance**
Revenue	**1,353.0**	863.4	56.7%	**-**	-	-	**1,353.0**	863.4	56.7%
Net Revenue	**818.0**	473.3	72.8%	**-**	-	-	**818.0**	473.3	72.8%
EBITDA	**264.2**	195.1	35.4%	**(7.0)**	**(14.5)**	51.8%	**257.2**	180.5	42.4%
EBIT	**172.7**	143.1	20.7%	**(7.0)**	**(14.5)**	51.8%	**165.7**	128.6	28.8%

Balance Sheet (KD Mln)

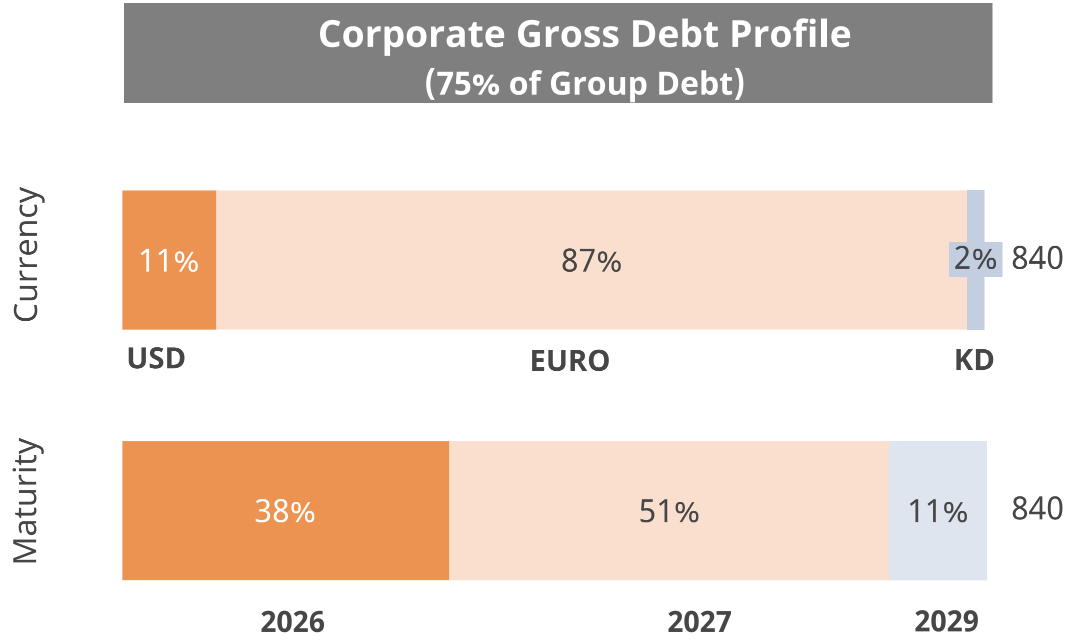
Strong Asset and Equity base to support our future growth plan

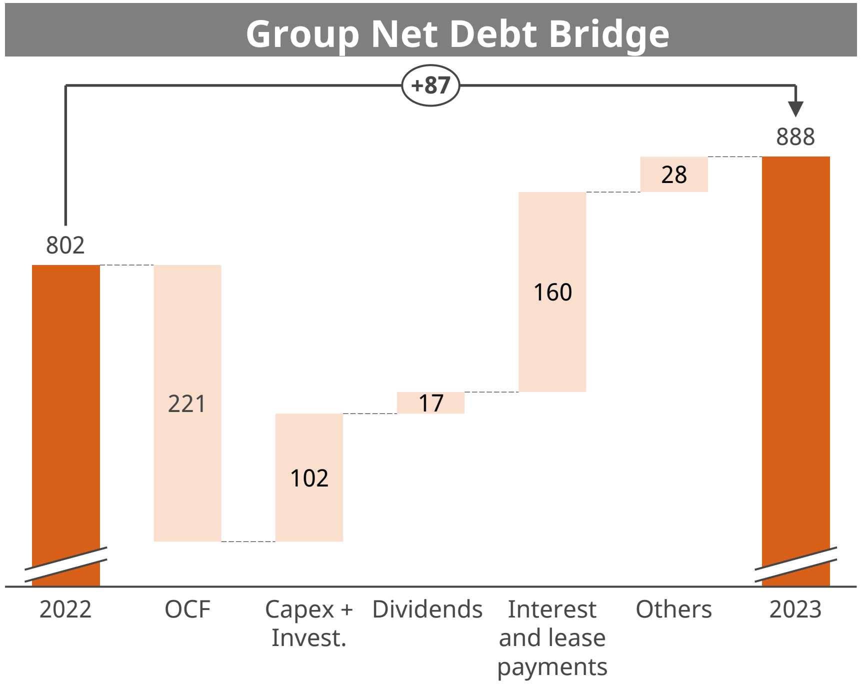
Balance sheet	FY 2023	FY 2022	Variance	%
Current assets	614.4	508.3	*106.1*	*20.9%*
Non-Current assets	3,131.1	2,840.6	*290.5*	*10.2%*
Total assets	**3,745.5**	**3,348.9**	*396.6*	*11.8%*
Current liabilities	636.6	534.3	*102.3*	*19.1%*
Non-current liabilities	1,216.9	1,100.0	*116.9*	*10.6%*
Total liabilities	**1,853.4**	**1,634.3**	*219.1*	*13.4%*
Equity attributable to equity holders of the Parent Company	**1,772.5**	**1,601.6**	**170.9**	**10.7%**
Minority Interest	119.6	113.1	6.5	5.7%
<u>Financial Metrices</u>				
Net Debt	888.4	801.7		
Net Debt / EBITDA	3.5X	4.4X		



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)

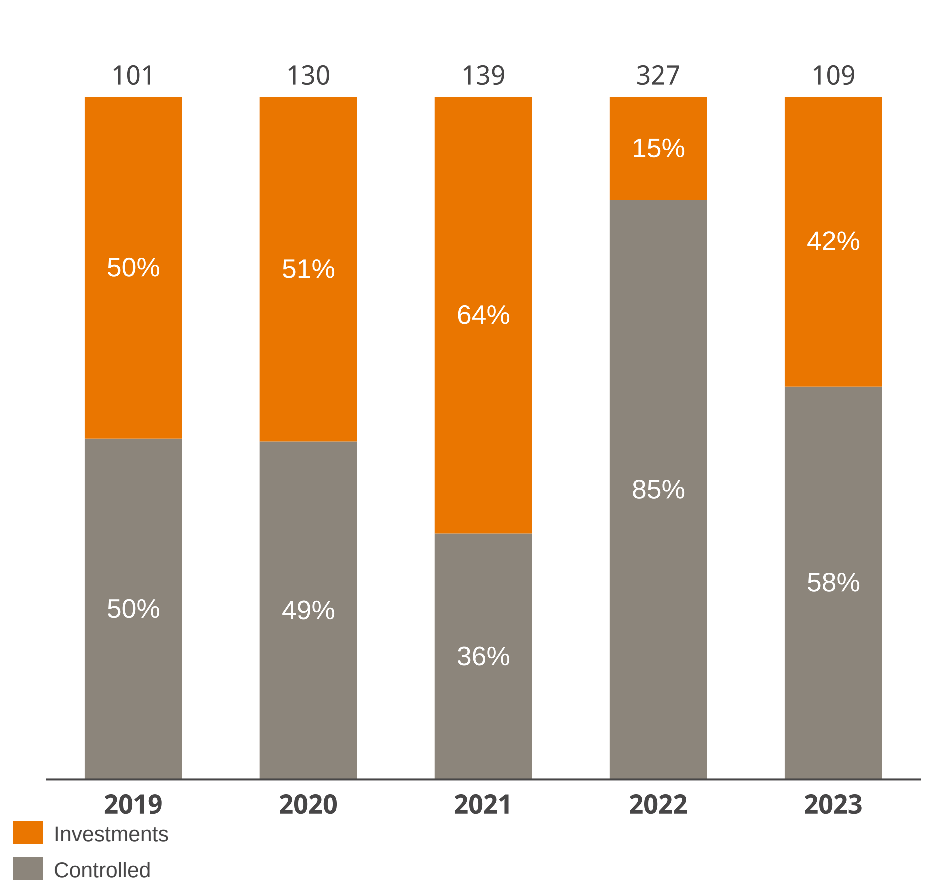
Agility has a healthy cash flow generation and will continue to reinvest in its businesses

Cash Flow Statement	FY 2023	FY 2022	Variance	%
Cash from Operating activities before changes in working capital	240.8	166.2	*74.6*	*44.9%*
Changes in working capital	1.7	-51.4	*53.1*	*103.2%*
Other Items	-21.1	-14.7	*-6.4*	*43.5%*
Net Cash flow from operating activities	**221.3**	**100.0**	***121.3***	***121.2%***
Net Organic Capex	-59.6	-276.1	*216.4*	*-78.4%*
Net Investments[1]	-40.3	-49.0	*8.7*	*-17.7%*
Net movement in deposits	-8.7	8.8	*-17.5*	*-198.2%*
Capex + Investments	**-108.6**	**-316.3**	***207.7***	***-65.7%***
Free Cash Flow	**112.7**	**-216.2**	***328.8***	*-152.1%*

Financial Metrics

	FY 2023	FY 2022
Conversion ratio (OCF/EBITDA)	86.1%	55.4%
Organic CAPEX as % of Revenue	4.4%	32.0%

Capex and Investment



[1] Investments & Acquisitions

2022 capex includes HG Storage and John Menzies acquisition

Agility's Operating entities delivering healthy growth In 2023

Aviation Services

+126.5%
revenue growth Vs last year

+135.5%
EBITDA growth Vs Q last year

▶ Growth Drivers

Menzies has benefitted from the growth in air travel which reached 95% of 2019 levels in December 2023.

All geographic regions served by Menzies posted year-on-year growth due to increases in passenger flights. Menzies has a number of new operations that it has launched or acquired during this quarter and are expected to contribute to the future growth.

Fuel Logistics

+33.3%
revenue growth Vs last year

+26.2%
EBITDA growth Vs last year

▶ Growth Drivers

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

This was driven by the acquisition of HG storage in 2022 in addition to the growth in the Fuel and Road Transport & Warehousing segments, underpinned by new contract wins. The Maritime segment showed continued resilience as markets remained strong throughout the year. Tristar expects to maintain its momentum in 2024.

Other Controlled Businesses

+10.6%
revenue growth Vs last year

-1%
EBITDA growth Vs last year

▶ Growth Drivers

The main businesses to this group were:

- ALP reported 7.7% full-year revenue growth. ALP is continuing to pursue its growth strategy by increasing and optimizing its existing land bank and developing new projects.
- Full-year 2023 revenue for United Projects for Aviation Services Company (UPAC) increased 2.6%. The increase was driven mainly by a rebound in airport-related services and an increase in the frequency of daily flights and travelers at Kuwait International Airport.
- GCS Agility's customs modernization and port operations company, reported a full year revenue growth of 5.3% vs. the same period in 2022.

The Dividends

FY 2023

Agility's Board has approved and recommended 2 different dividends distribution for 2023

Interim Dividend Distribution

- An interim cash dividend distribution of KD 25.5 million, equivalent to 10 fils per share.
- in-kind dividend distribution estimated at KD 800 million, representing 49% of the shares owned by Agility in its subsidiary, Agility Global PLC, which is pursuing a listing on ADX.

Record Date
18 April 2024

FY Dividends Distribution

- A cash dividend distribution of KD 25.5 million, equivalent to 10 fils per share

Record Date
Set by the General Assembly

The In-kind Dividends Distribution

Agility is distributing in-kind dividends to shareholders in the form of 49% of the issued share capital of Agility Global PLC

Agility

In-kind Dividend Distribution

- Shareholders will own shares in two companies – Agility Public Warehousing Company KSCP, listed on Boursa Kuwait and DFM, and Agility Global PLC, with an approval to list on ADX

Agility Public Warehousing Company KSCP — Listed on KSE & DFM

51%

Agility Global PLC — Pursuing a Listing on ADX

What is Agility Global PLC?

- An owner and active shareholder of global and regional businesses;
- Agility Global PLC is an Abu Dhabi Global Market (ADGM) company, expected to be listed on ADX by May 2nd 2024.
- Agility Global PLC operates in attractive sectors :
  - Aviation services
  - Logistics & transport
  - Industrial real estate
  - Technology ventures

Value of the Distribution

- Distribution estimated at KD 800 million (USD 2.6 billion), representing shares forming 49% of the issued share capital of, Agility Global PLC
- Shareholders will receive **2 shares** in Agility Global PLC, for every share they hold in Agility Public Warehousing Company KSCP
- Shareholders will own shares in both Agility KSCP and Agility Global PLC

Timeline:

ADX listing expected by May 2nd, 2024

Key dates for the transaction

Board Approval

Mar **27** 2024

Shareholders are requested to check the shareholders communication available on our website to obtain their NIN and ADX trading account number. We are facilitating this service with Markaz, via an online platform: www.onboarding-gcc.com

Record date

Apr **18** 2024

Record date is 18 April and last trading date is 15 April

Distribution and Listing

May **2** 2024

ADX registry will be managing the share registrar for Agility Global. After listing you can reach out to them to enquire about registrar services.

Q&A Session