25 August 2019

M/s Boursa Kuwait

Subject: Analyst/ Investor Conference for the second quarter 2019

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 Tuesday August 20, 2019.

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

Best Regards,

Investors Relation Department

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Paid Capital: KD 153,298,309.400

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Agility Public Warehousing Company
Q2 2019 Analyst Webcast

Sunday, August 25th 2019

Kindly find enclosed minutes of Agility's analysts' webcast, which was held on Tuesday August 20th 2019 at 2.00 PM Kuwait time, to discuss Second quarter's earnings.

Attendees from Agility:
Ehab Aziz – Group CFO
Soriana Borjas – Investor Relations Senior Manager

From Arqaam Capital:
Sidharth Saboo

Transcript

Operator: Ladies and gentlemen, welcome to the Agility's second quarter 2019 earnings webcast. I will now hand over to your host Sidharth Saboo from Arqaam Capital. Sir, please go ahead.

Rita Guindy: Good morning and good afternoon ladies and gentlemen, and thank you for joining us today. This is Sidharth Saboo, and on behalf of Arqaam Capital, I'm delighted to welcome you to Agility's second quarter 2019 earnings webcast. I have with me here today Mr. Ehab Aziz, Group Chief Financial Officer and Agility's Investor Relations team.

Without further delay, I will now turn over the call to Soriana Borjas, Agility's Investor Relations Senior Manager.

Soriana Borjas: Good afternoon, and welcome to Agility's second quarter 2019 analyst call.

As we have always done, Mr. Ehab Aziz, our group CFO, will walk you through the presentation which you have available, to discuss the Group's operational and financial performance during this period, after which we will open the floor for your questions.

If you would like to ask any question, please type it in the Q&A box on your screen any time during the presentation and we will address it during the Q&A session at the end of the call.

Before I hand over the mic to Ehab, I would like to draw your attention to the disclaimer available on page #2. As this presentation may contain forward looking statements, such statements are subject to risk and uncertainties as various factors, many of which are beyond our control, may cause actual developments and results to differ materially from expectations contained in the presentation. Please take a moment to read it.

Ehab over to you.

Ehab Aziz: Good day every one, and thank you for joining our earnings call for Q2 2019. I will start with the group's performance, and then we will move to the main highlights of the business groups before we open the floor for the Q&A.

We will start with slide #4 with the group's performance.

We witnessed in this quarter continued growth despite weak market conditions particularly across the freight forwarding industry. EBITDA this quarter showed a double digit growth even if we were to exclude the IFRS 16 impact. IFRS 16 – the accounting standard related to capitalizing operating leases and excluding them from SGA and accordingly has a major impact on our P/L classification and leverage. IFRS 16 has a positive impact on EBITDA and negative impact on Net income. We will address IFRS16 impact alone in a separate slide.

In the second quarter we continued to see growth within each of our main business units and happy to see them delivering in line with their plan.

As you already know, we operate under 2 business groups, GIL which is our commercial logistics business and Infrastructure group with five main operating companies in different sectors.

GIL the main contributor to the group's revenue, reported good numbers despite lower Air Freight volumes as well as marginal decline in ocean freight volumes. The theme for freight forwarding this quarter has been lower volumes with higher margins. So net revenue we were up, as well as revenue on a constant currency basis, however, in terms of volumes we witnessed negative growth quarter over quarter and this is mainly due to the uncertainties of the US-China trade barriers which is a common theme across the industry. So despite the volume decline we had yield improvements compensating for this decline. Contract logistics performance has been very consistent year over year and continued to show good results in Q2.

Infrastructure group entities have delivered good growth year over year. Each is pursuing its road map to drive growth and improve efficiency within its operations.

Moving to the next slide #5. Here we have the financial performance of the group in Q2 2019.

The first chart on the left is revenue, where it grew from KD 384 to KD 396 million a 3.2% growth year over year. This quarter revenue was negatively affected by currency fluctuation. If we were to exclude this, it is a 5.7% growth instead of 3.2% growth on a reported basis.

Reported net revenue increased to KD 129 million a 3.9% growth. Reported net revenue margin stood at 32.6% slightly higher than Q2 2018. In terms of EBITDA, EBITDA grew at a double digit rate of 31.2% on a reported basis, and pre-IFRS 16 EBITDA growth was still double digit growth at 12.6%. EBITDA margin stood at 12.3% up from 9.6% a year earlier, this growth again was a result of IFRS16 impact. In terms of net profit, on a reported basis, net profit stood at KD 21.6 million increased by 8.1%. Whereas, on an adjusted basis for the IFRS16 which was around KD 700K, net profit will be KD 22 million an 11.5% growth.

Now moving to Slide # 6, we have the 1st half earnings results for 2019. Agility's revenue grew by 2.5% from KD 756 million to KD 775 million. This growth in revenue was also translated into a 1.6% growth in our reported net revenue where NR grew from KD 248.9 million into KD 253 million.

Our EBITDA growth increased by 27% to reach KD 95 million on a reported basis, driven partially by IFRS 16.

Net profit increased by 7.7% from KD 38.9 million to KD 41.9 million. If we were to adjust for the IFRS, our net profit would have been KD 43.1 million, about 10.7% increase. So definitely in today's market conditions the growth in Net profit this period has been satisfactory.

In slide #7, we have the Revenue and EBITDA contribution by business groups. You can see that most of the growth is coming from Infra structure business, mainly within ALP and Tristar, and here is also where most of our CAPEX has been directed over the past few years.

For EBITDA, on a reported basis, we have GIL contributing an additional KD 11.7 million and Infrastructure KD 8.5 million, knowing this includes the impact of IFRS 16, if we were to exclude this impact, GIL's EBITDA would have been at the same level as first half 2018 and infrastructure at 7.4% growth.

Slide #8

In terms of our balance sheet, we have a significant impact from IFRS 16 on our balance sheet which will be presented later. Our total asset value stands at around KD 2 billion and over KD 1 billion in equity.

In terms of debt, net debt has increased to around KD 307.2, there is around KD 102 million of this numbers a result of IFRS16. So this increase from last year is amplified (one quarter of it) by the implementation of IFRS 16. Our net debt to EBITDA stands at 1.6X which is within our comfort level, and as we communicated before, we expect this ratio not to exceed 2.5X pre-IFRS in the normal course of business.

Moving to slide 9, the cash flow slide, we have improved our operating cash flow to stand at around KD 41 million in this period compared to KD 29 million last year, however due to the CAPEX that have been invested this year, and you can see in the graph on your right where the money has been allocated, our free cash flow has been negative KD 16.9 million for the first six months.

In terms of capex, since we have communicated our CAPEX program in 2016, you can see that the CAPEX has been allocated primarily to the infrastructure group. What is classified under others is mainly the investment in Reem mall around KD 21 million in the first six months. We expect our CAPEX to be more or less in line with the previous years, around

KD 100 million each year, and this is required to improve the profitability of our infrastructure companies. GIL is more focused internally, it's not a CAPEX driven business, however, there might be an acquisition or merger as we have tried to do earlier this year. That would be a completely different discussion and as and when anything materialises we will communicate to the market the different dynamics of that deal.

Moving to the business group segments in Slide # 11, starting with GIL's Q2 results, revenue declined by 2.6% over the same period last year, however, this was negatively impacted by currency fluctuation, and if we were to adjust for this it will show a growth of around 1%.

However, we don't necessarily focus on revenue, as freight forwarding is a pass through business. Revenue is more a function of rates and rates might fluctuate up and down, so a better matrix for GIL will be net revenue as a proxy of the level of activities, and as you can see Net revenue grew by 4.1% year-over-year on a reported basis and 6.1% adjusted for currency fluctuations.

So for GIL, given the current market condition which witnessed a significant decline in volumes year over year, our numbers have increased as reflected in the net revenue growth. The story for freight forwarding again, is decline in volumes, where we have witnessed a decline in Air freight volumes and ocean freight volumes of 8% and 2% respectively, however the yields for both have offset this decline and as a result Net revenue increased by 4.1% year-over-year on a reported basis and 6.1% on a constant currency basis.

Region wise, as you can see from the chart, Middle East performed well with an 11% revenue growth, Europe almost flat and a decline in both AAmericas and Asia Pacific of 8.6% and 6.8% respectively.

Infrastructure group on slide # 13.

As we have mentioned before, most of our CAPEX is directed towards this group, and as a result we have seen significant growth in EBITDA year over year.

This group EBITDA for the second quarter of the year grew 18.2% year over year on a reported basis, on a revenue growth of 20.6%. As for the entities:

Agility Logistics Parks (ALP) the warehousing business, reported 15% revenue growth for the quarter. This growth is mainly coming from the contribution of new facilities that were delivered towards the end of last year in Kuwait and Saudi for an area of around 150k SQM. So we have started to see the full year impact in 2019.

ALP Saudi is progressing well, we are seeing good demand there, we have completed the development of two of the three warehouses for phase II, each with 40k SQM capacity, and they are now moving ahead with the development of the third warehouse of 40k

SQM, so the total capacity from phase II is around 120k SQM. In Africa, good level of investment has been going on for the past few years, new warehousing spaces in Ghana will be delivered soon and more to come from Mozambique and Ivory Coast towards the first quarter of 2020. Nigeria development on the land that we bought will start next year.

Tristar posted 23% revenue growth in Q2, driven by growth in road transport and warehousing operations, plus the shipping business. Tristar was successful to secure new business particularly in the shipping space. A note on the shipping business we have been investing in, it is not the speculative type of shipping but primarily a customer driven investment, as we have announced 2 projects with shell and with other oil companies. So it is back to back and almost 70% of the value of the ship is financed by banks on a non-recourse basis to the group, and limited recourse to Tristar, so the risk involved is very limited and allows us to scale up with reputable customers.

United Projects for Aviation Services Company (UPAC), witnessed a decline in revenue by 2.3% due to the changes in Kuwait airport with new terminals opened, slightly impacting their numbers. As you already know, UPAC is developing the Reem mall in Abu Dhabi, construction of this project is progressing well and is scheduled to open in late 2020.

National Aviation Services (NAS), grew revenue 1.6% in the first quarter of 2019. It has been a challenging year for NAS, as you know they operate in different regions like Africa, Middle East and Afghanistan, some of those places witnessed a slowdown due to closure of air space resulting in reduction in commercial flights. But we are confident with NAS's ability to grow organically and inorganically and create value for the group. They have been growing very well and there are several inorganic opportunities in the pipeline to support their future growth.

GCS, Agility's customs modernization company, posted revenue growth of 12% this quarter, driven by increased trade activity in Kuwait. GCS also was able to identify and implement new initiatives to drive productivity and revenue enhancement. So overall they have performed well and we expect them to continue this trend.

I will conclude with a big picture of the IFRS16 impact on our financials for the first 6 months as per slide # 13. So on the P/L there was no change on the total revenue, but a decrease in SGA of KD 12.3 million due to the exclusion of operating leases. This answers one of the questions raised on the reason behind SGA decline. This decrease led to a positive impact on EBITDA of KD 13.9 million increase. On the other hand Depreciation expense increased by KD 12.5 million leading to a KD 1.4 million increase only in EBIT, financing costs also increase by KD 2.6 million, and the bottom line impact was a decrease in Net profit of KD 1.2 million.

Balance sheet Assets due to the capitalization of operating leases increased by KD 94 million with an equal increase in Equity and liabilities.

With that we will open the floor for your questions:

Operator: Thank you. Ladies and Gentlemen, if you wish to ask a question, please submit it on the webcast platform. Thank you for holding.

Q1: Can you please elaborate on your outlook for GIL EBITDA and how optimistic are you on reaching the 4-4.5% level and when?

Ehab: If you have been following GIL and what they have been doing over the past several years, you can see that they have improved. I have confidence that this story will continue in terms of improving EBITDA. We are also confident that we can navigate through the current challenging market conditions as it is not the first time we face such challenges but it makes things more difficult for us. So, there are two pillars in GIL, one is internal pillar which is focusing internally on technology, rolling out the system which should help improve productivity, efficiency, etc. The other pillar to unlock value for GIL through M&A's. As we have seen from our previous M&A discussions and the industry trends, M&A has created value for some of the industry players, as synergy is a key driver in this space going forward, particularly cost synergies. So, we are actively looking for suitable M&A deal. Whether this could result in an acquisition for cash or a merger of equals or some sort of combination, we are not yet sure how this will materialize because there aren't many targets there, but I am confident even without any M&A, GIL will continue to progress and improve its margins and improve its profitability over the next several years. However, as I mentioned the organic path is quite challenging in today's market environment, but this is something we have navigated through in the past.

Q2: What is your current ownership in Reem Mall? What's the outstanding shareholder loan? And how much do you plan on having in terms of stake eventually? What is an expected normalized EBITDA level when the mall is fully operational?

Ehab: As we mentioned before, our investment in the mall is through the convertible debt. So, if we don't convert then it's a very small equity stake that may be a few percentage points or may go up-to 75% if we consolidate the mall. If we opt for consolidation, our estimate for EBITDA once the mall is normalized is about USD 100-120m. Again, this space as you may know is very challenging. However, we are optimistic that the things over the medium and long term will improve and this asset will prove to be a good asset for the long term. But in terms of expectations of EBITDA – once everything normalizes and the market normalizes as well, it's around USD 100-120m of EBITDA for the entire mall.

Q3: Could you please share pre-leasing numbers for Reem Mall? Have you seen any major brands leaving Reem Mall for the Galleria Mall?

Ehab: Our leasing/pre-leasing numbers stands today at around 36%, which is not a very bad percentage, given the current market conditions and given also the competition. Now, I am not aware of any major brands that have left to Galleria Mall. Galleria Mall is already there and already functional and operational, so we haven't seen any major brand moving to Galleria.

Q4: How much of the business volumes of the GIL segment terminates/originates from the MEA geography.

Ehab: Relatively, Middle East, when it comes to Freight Forwarding is small. The main movement – 80% of the movement is among the other regions – Europe, Asia and Americas. So Middle East is not significant when it comes to Freight Forwarding, however, Middle East is significant component of contract logistics, about 50% of overall contract logistics.

Q5: Do you have any update on spinning off the TriStar entity?

Ehab: As we communicated before, Tristar is evaluating and actively pursuing an IPO and there are several consultants and advisors already engaged in this process. If everything goes well and if the market is ready for an IPO and we receive an appropriate valuation for Tristar, probably this will be happening towards next year – 2020. So that's the update on Tristar.

Q6: Is the margin improvement a result of cost optimization solely or are there other drivers?

Ehab: We cannot generalize it, but one big component is IFRS impact. Big chunk of the EBITDA margin improvement is coming from IFRS 16. If you would exclude that I think margin would have still improved and that's due to two things, one, the business mix, infrastructure is contributing more in terms of EBITDA and infrastructure tends to have higher margin, so that's adding to the improvement in EBITDA margin ex-IFRS. But also, there is an improved efficiency and productivity gains year over year but it's marginal relative to the overall picture. In terms of net revenue margin improvement, that's primarily driven by yield. In GIL, yield has improved significantly despite the reduction in volume, that has increased the margin and also as you can see the revenue from Infrastructure had higher growth rate than GIL which also had higher net revenue margin and accordingly the overall net revenue margin for the group has improved.

Q7: What is other income and what are the reasons for its growth?

Ehab: There are different things that are non-operational. So, we had fund that we invested in seven years ago with Mubadala where we are receiving some of the income now as the fund is selling the assets and realizing some gains. So, some of the gains go there. So, it's a bucket that has bunch of different things from different entities that are in nature non-operational. So that's other income. It's inconsistent and nothing that we can anticipate, forecast or expect to grow.

Q8: Is there any provision on the customs case? What is the total provision amount?

Ehab: We don't have any provision from customs case. It's actually a case from us against the government. We had a court order in our favour. So, if any, we would report a gain. We don't have any associated liability with it.

Q9: What is the case for Amghara property?

Ehab: Currently, for Amghara, there is a full disclosure in the financial statements about the legal cases. There is an ongoing legal case for the Amghara property. You can read the full disclosures about the case in the financial statements

Q10: What is the reason for the drop in G&A expenses?

Ehab: Again, that's due to IFRS and the slides explains why the expense for SG&A has reduced and the impact of the reduction. That's mainly why the SG&A has reduced. If you add it back, the growth is not significant year over year.

Q11: Can you expand warehousing in Kuwait (under ALP)? How much is the capacity there and what's the utilization rate?

Ehab: I don't think I can address this question in detail here, because there are lot of numbers and I don't have all the latest numbers – how much of the land is developed, undeveloped. We have a large land bank in Kuwait. Some of it is open yards, this is where the opportunity for development exists, because we can convert the open yards into warehousing facilities, which we have actually been doing over the past several years but might not be as aggressive as we should. There are existing facilities that we have, some of those facilities are related to GIL and some of those facilities are related to ALP. We can answer that question one-on-one with all the details.

Ehab: I think I can conclude now by thanking you and reassuring you that despite the current market conditions and the difficult environment that we all see and witness in different industries and uncertainties whether related to recession, interest rate, or trade war between China and the US, I think we continue to be resilient and doing our best to navigate through these different challenges. Thank you very much for your attention and for joining us today.

Soriana: Thank you Ehab and thank all of you for joining us today. Before we end the call, we would like to remind you that this presentation is available on our website and we will post a transcript along with the presentation on the relevant stock exchanges. Thank you and see you next quarter.

August 2019

Agility Earnings Call Presentation

Second Quarter & First Half 2019 Results

Agility

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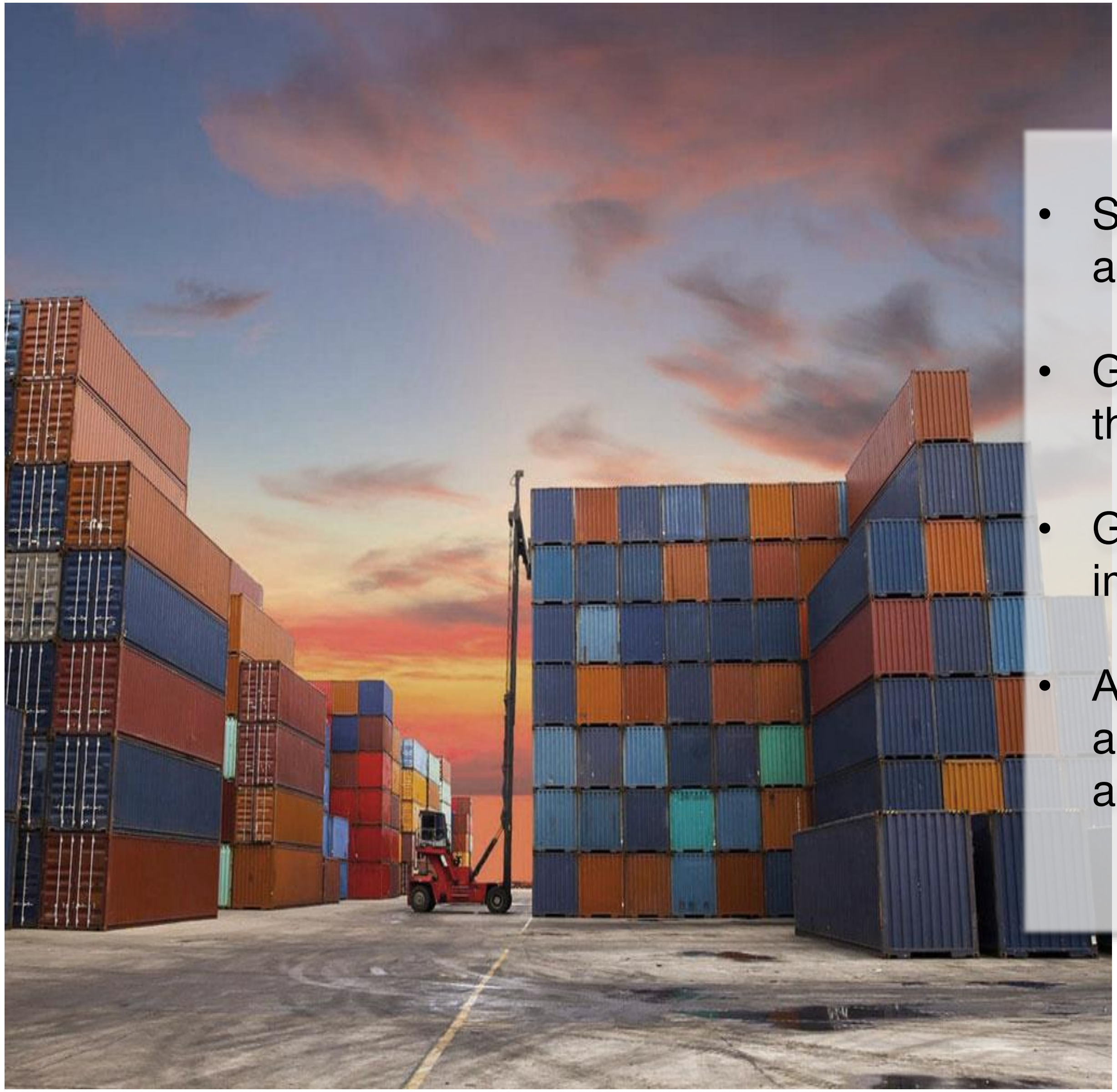
Agenda

1. Financial Highlights
2. Business Segments
3. Q & A

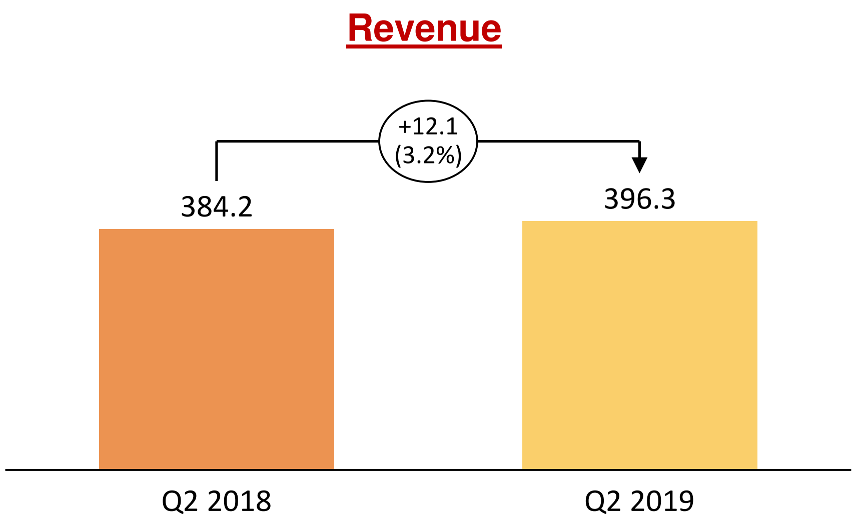
Q2 2019 highlights

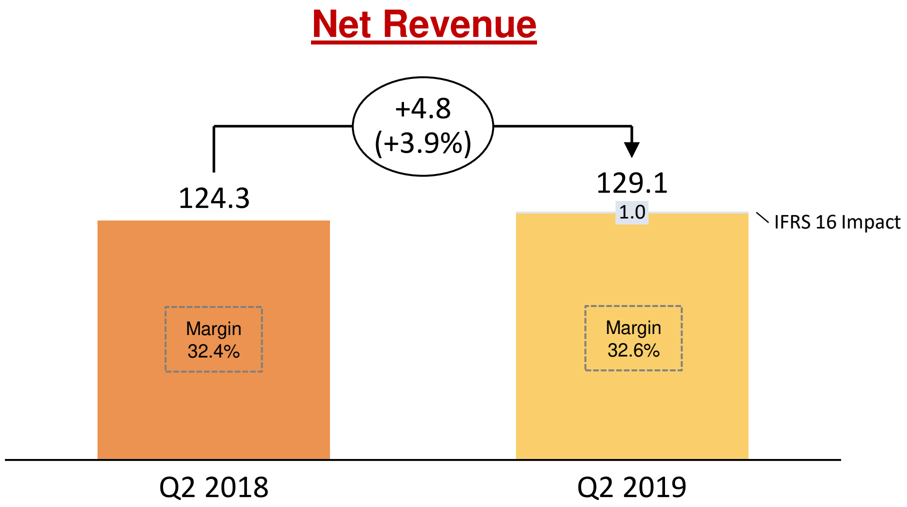


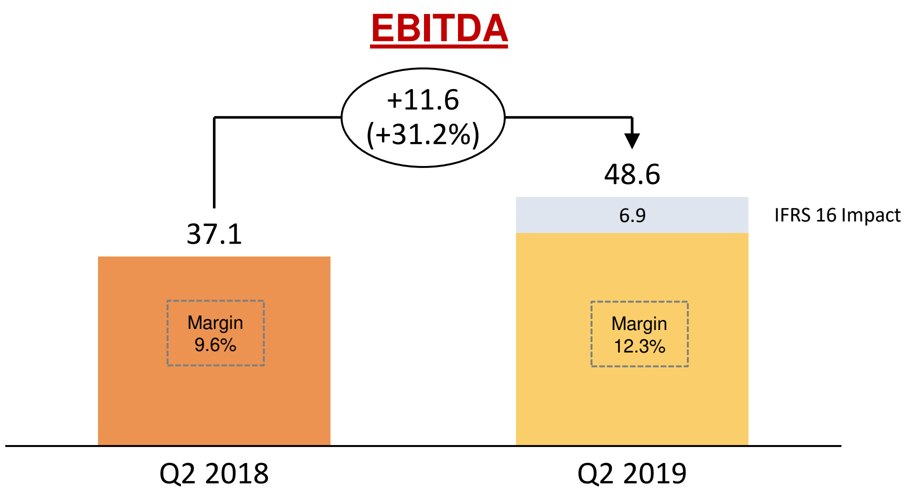
- Solid growth during macroeconomic uncertainties and weak freight forwarding market conditions
- Good performance across all key entities in line with their 2019 targets
- GIL reported good results and continues to implement its strategy to drive operational efficiency
- Agility's Infrastructure companies performed well, and key initiatives in each business unit are moving ahead according to plan

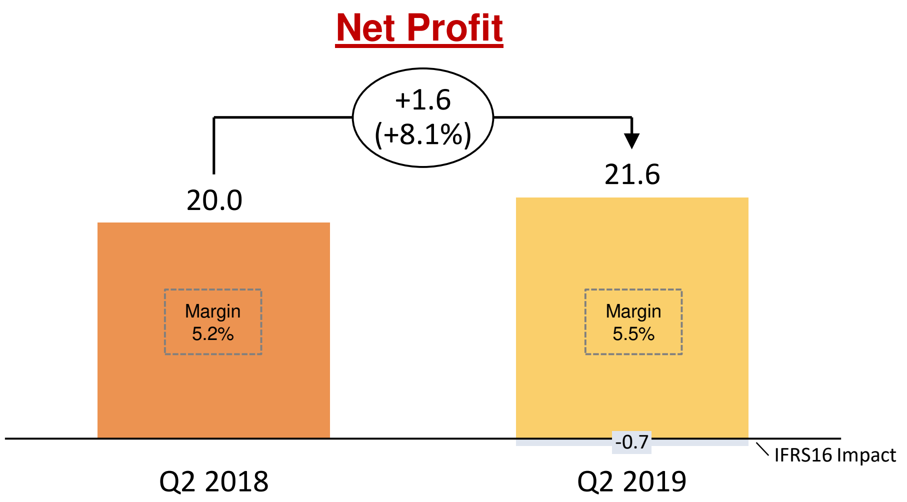
Q2 2019 Group financial performance
KD Mn

Solid growth across all key businesses





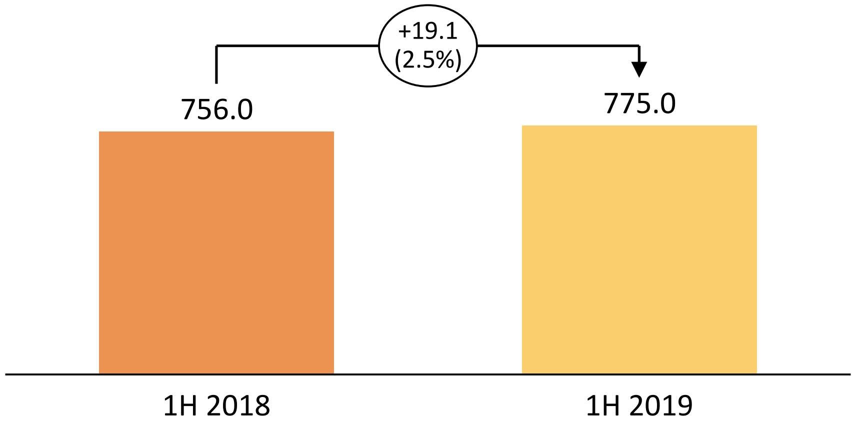




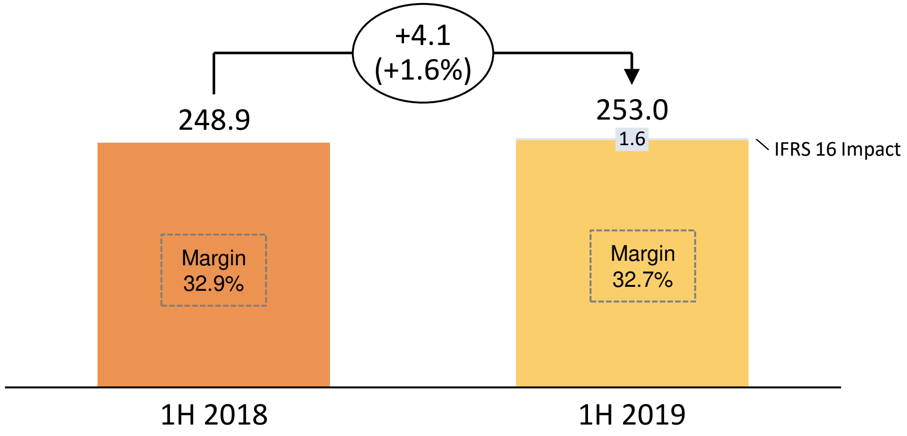
1H 2019 Group financial performance
KD Mn

Solid growth across all key businesses

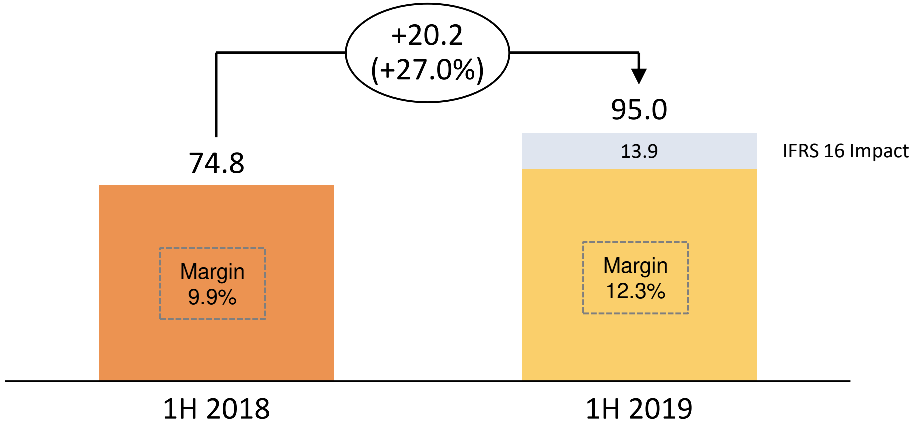
Revenue



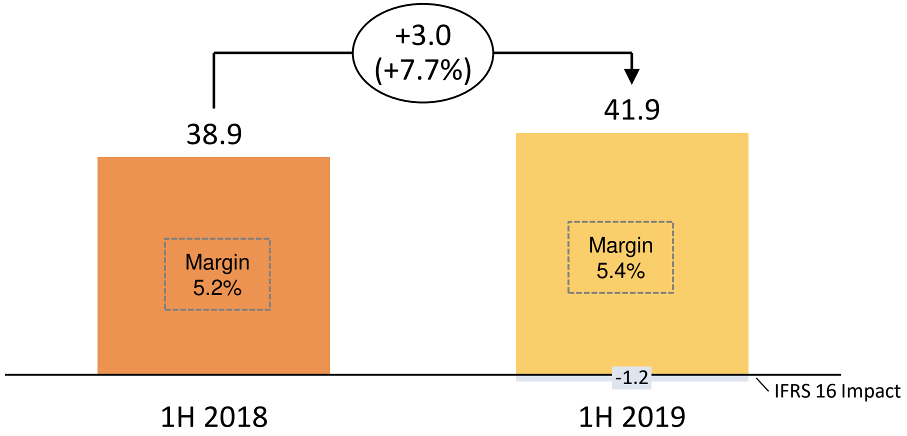
Net Revenue



EBITDA

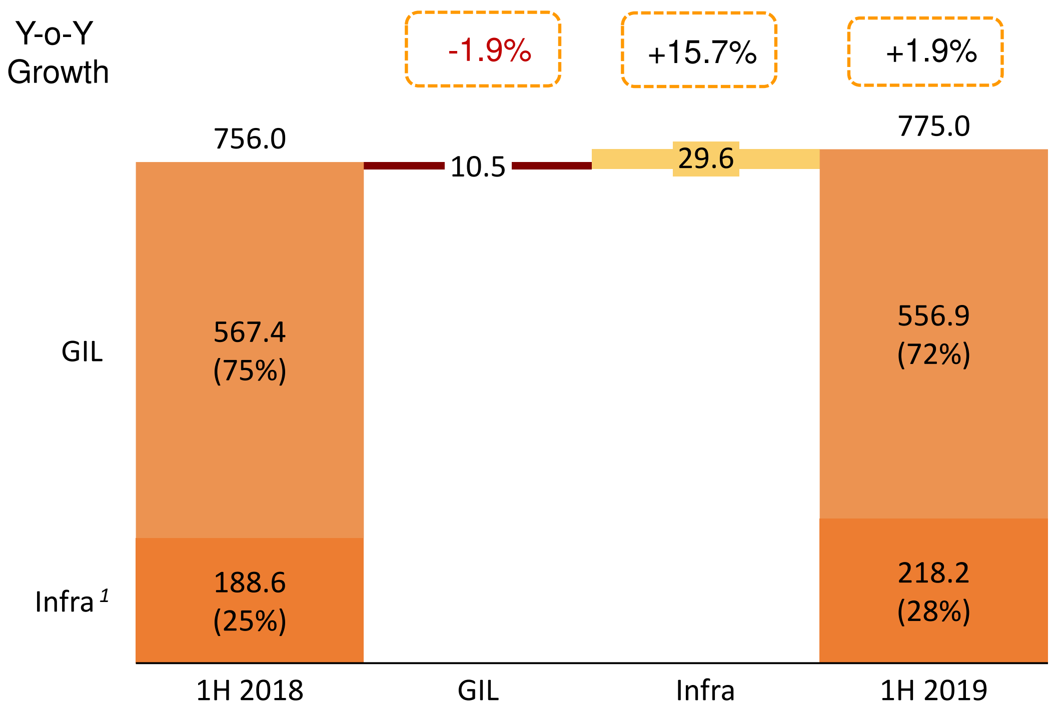


Net Profit

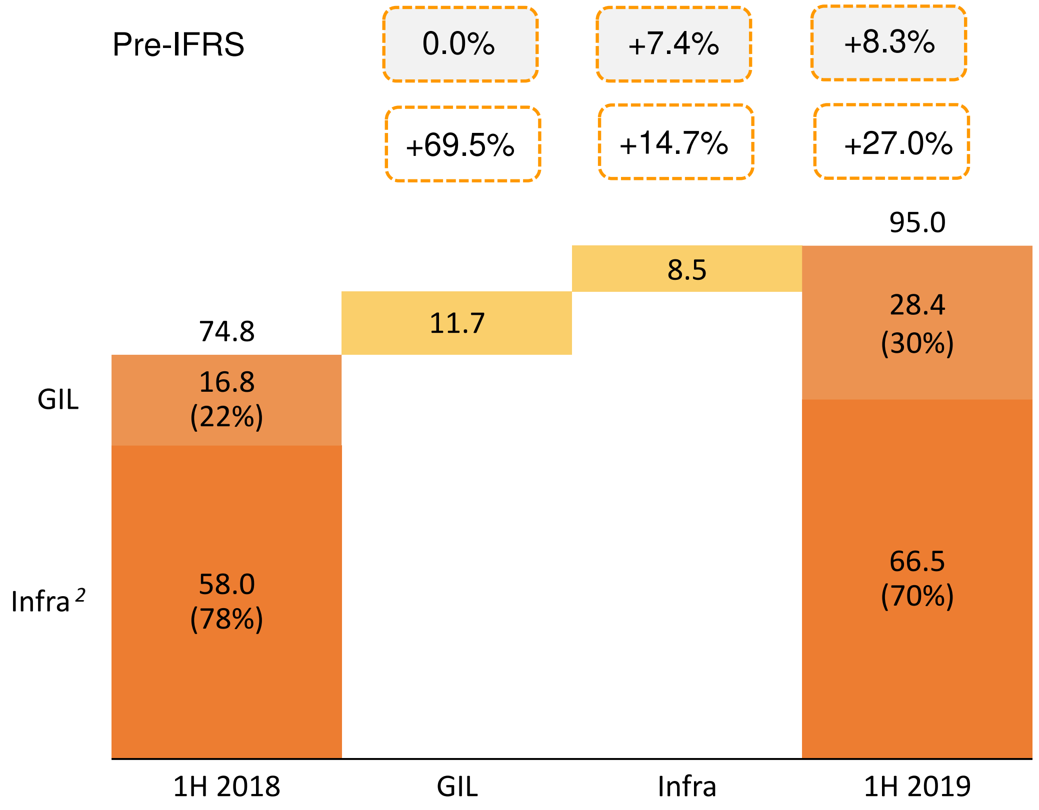


1H 2019 Group financial performance
KD Mn

Revenue contribution by Business Group



EBITDA contribution by Business Group



[1] *Includes eliminations and adjustments*

[2] *Includes corporate*

Balance Sheet
KD Mn

Maintaining a strong balance sheet

Balance sheet	1H 2019	1H 2018	Variance v/s 2018
Current assets	568.5	546.2	22.3
Non-Current assets	1,398.6	1,203.7	194.9
Total assets	**1,967.1**	**1,749.9**	217.2
Current liabilities	511.5	579.8	(68.2)
Non-current liabilities	375.9	149.2	226.7
Total liabilities	**887.4**	**728.9**	158.4
Shareholders' equity	**1,079.7**	**1,020.9**	58.8

Highlights

Net Cash (Debt)	(307.2)	(130.7)
ND / EBITDA[1]	1.6X	0.9X

[1] *EBITDA Annualized*

- Healthy balance sheet, with ability to leverage future growth
- Constant support and commitment to our stakeholders:

  1) Shareholders
  2) Banks
  3) Internal Businesses

Statement of Cash Flows
KD Mn

Agility

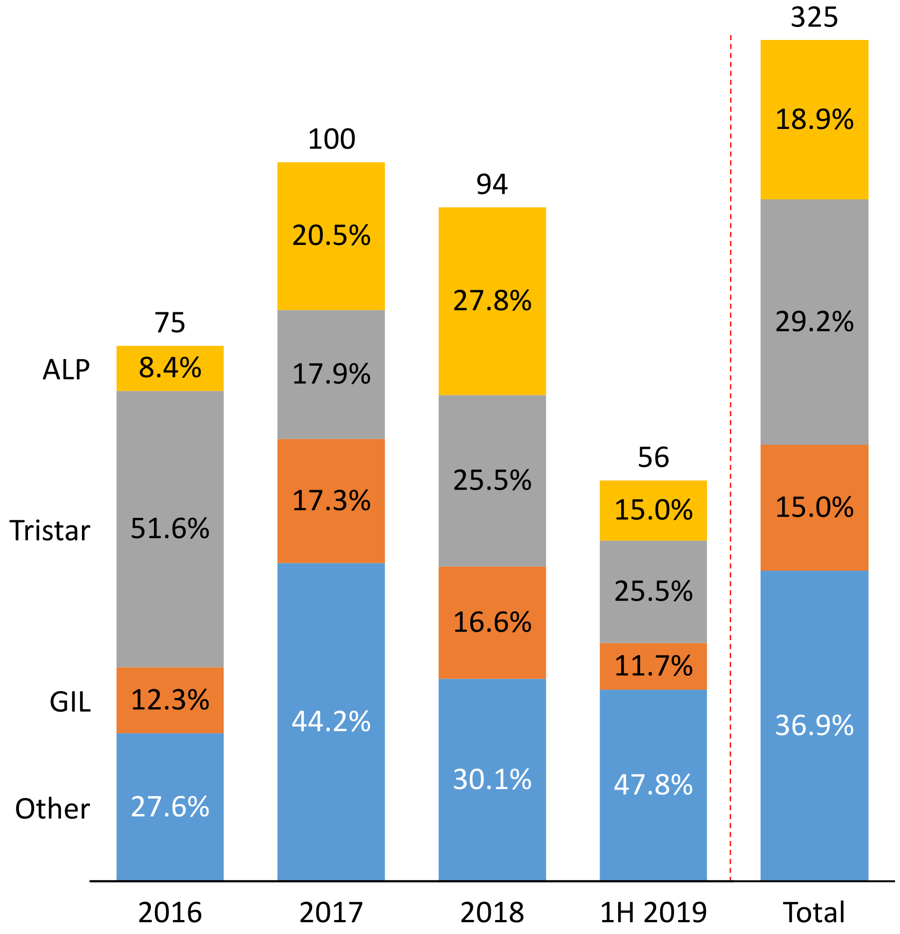
Investing in the business to capture profitable growth opportunities

Cash Flow Statement	1H 2019	1H 2018	Variance	%
Cash from Operating activities before changes in working capital	96.7	77.1	19.6	25.4%
Changes in working capital	-43.7	-35.4	-8.3	23.4%
Other Items	-12.0	-12.5	0.5	-3.9%
Net Cash flow from operating activities	**41.0**	**29.2**	**11.8**	40.3%
CAPEX	-55.9	-25.6	-30.3	118.5%
Other items	-2.0	-2.4	0.4	-15.8%
Net Cash flow from investing activities	**-57.9**	**-28.0**	**-29.9**	107.0%
Free Cash Flow	**-16.9**	**1.3**	**18.1**	-1413.8%

Highlights

Conversion ratio (OCF/EBITDA)	43.2 %	39.1%
CAPEX as % of Revenue	7.2%	3.4%

CAPEX Allocation

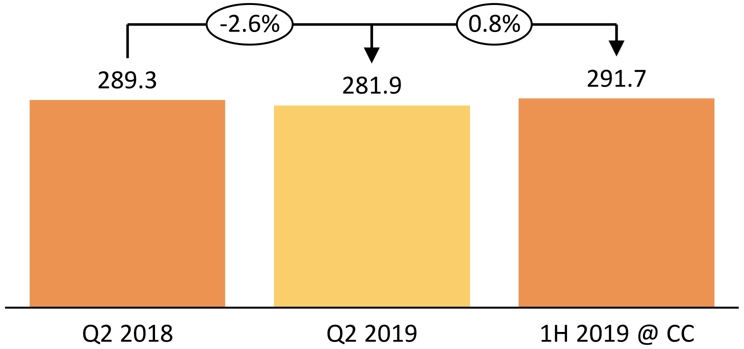


Business Segments

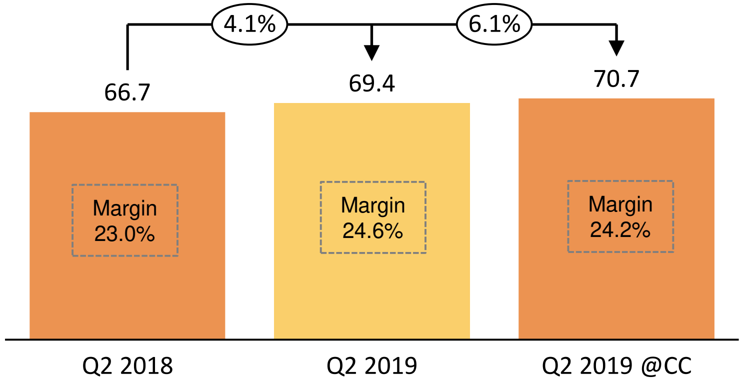
GIL financial performance – Q2 2019
KD Mn

Financial Highlights

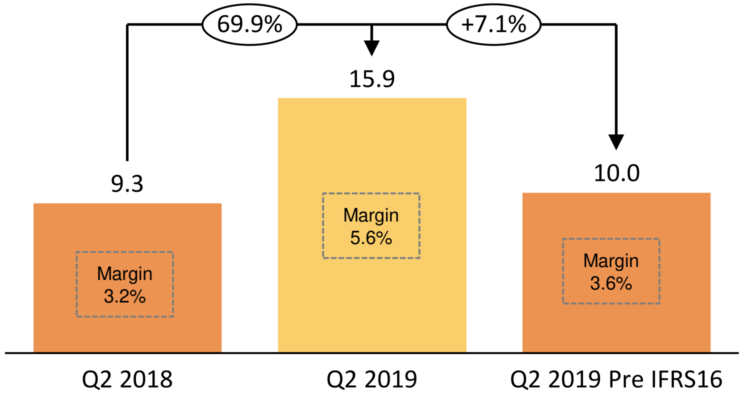
Revenue



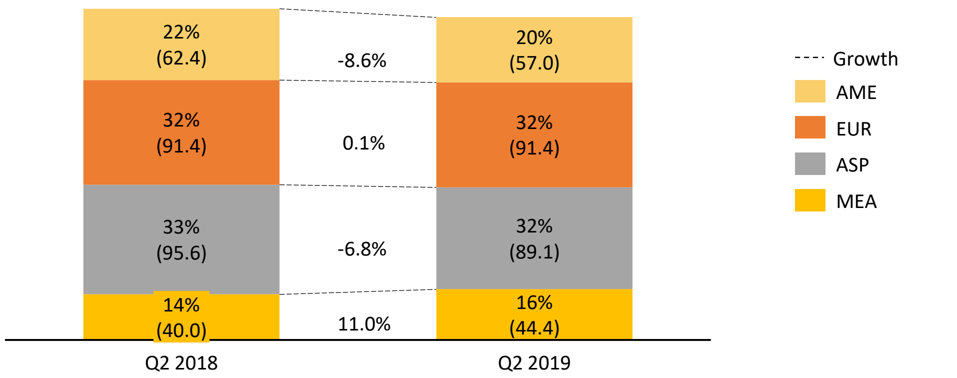
Net Revenue & margins



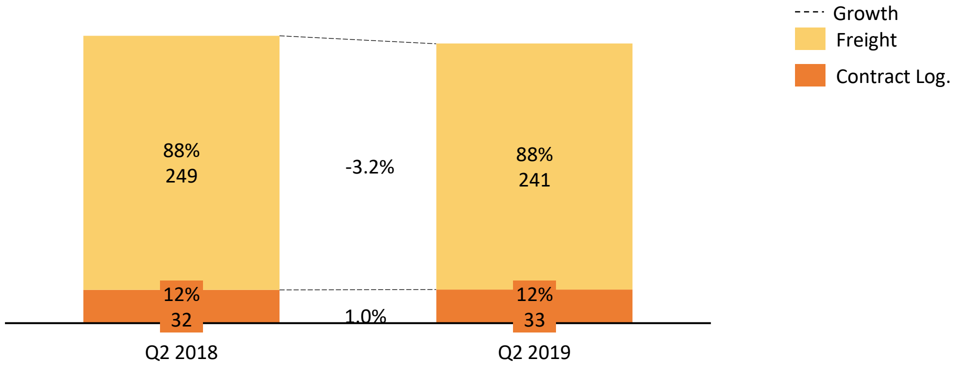
EBITDA & margins



Regional Revenue Contribution (% & absolute)



Service Revenue



Air Freight volumes

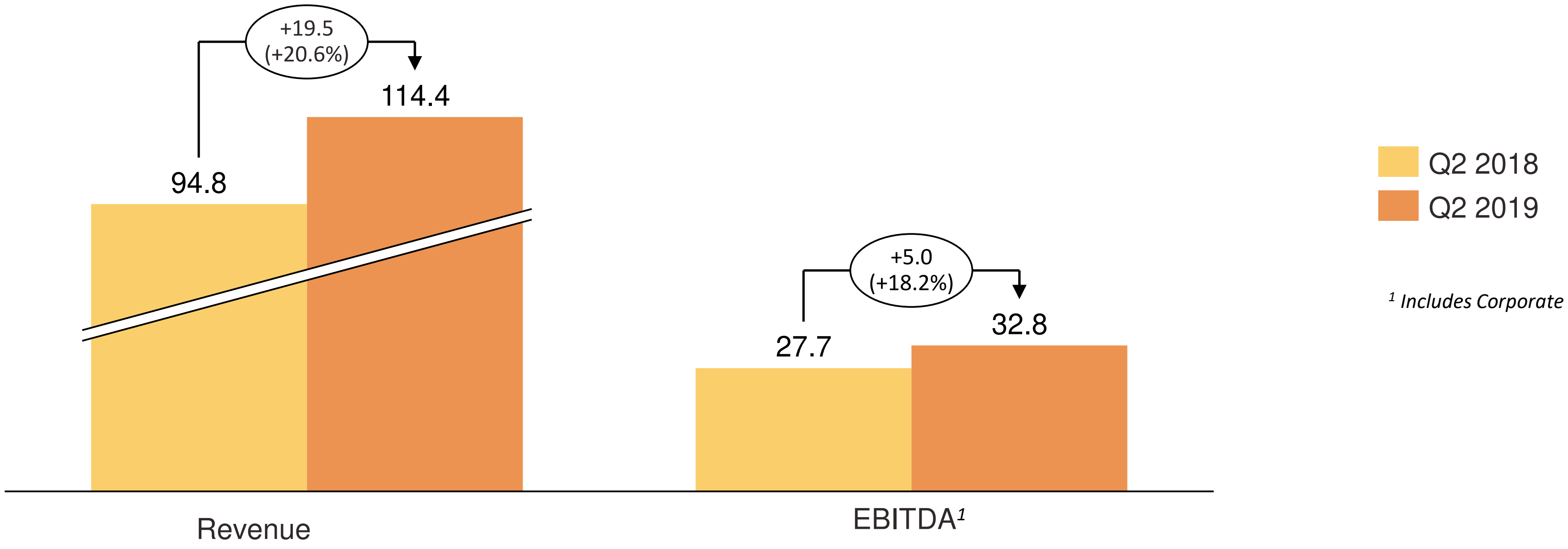
-8%
Vs Q2 2018

Ocean Freight volume

-2%
Vs Q2 2018

Infrastructure Group financial performance – Q2 2019
KD Mn

Solid performance across all key entities



[1] *Includes Corporate & Adjustments*

Revenue growth Y/Y

	Revenue growth Y/Y	
Agility Logistics Parks	15.0%	*Development and management of logistics parks across ME and Africa*
Tristar	23.2%	*Transport, storage and distribution of fuels plus chemicals supply chain*
UPAC United Projects Co. for Aviation Services K.S.C.P	-2.3%	*Commercial real estate development and management*
nas	1.6%	*Ground handling, cargo management aviation and lounge services*
Global Clearinghouse Systems	12.0%	*Digital customs services and customs operation*

P&L

Revenue	-	No change
COGS	- 1.6	Decreased as lease expenses are recognized as depreciation and interest costs
SGA	- 12.3	Decreased as lease expenses are recognized as depreciation and interest costs
EBITDA	+ 13.9	Increased due to lower lease expenses
D&A	+ 12.5	Increased due to capitalizing operating lease assets
EBIT	+ 1.4	Increased due to the above
Net Financing costs	+ 2.6	Increased due to interest on lease liabilities
Net Profit	- 1.2	Negative impact on NP

Balance sheet

Assets	+ 93.7	Capitalizing operating leases
Equity and Liabilities	+ 93.7	Corresponding operating lease liabilities

Net Cash Flows	-	No change

Q&A Session