Agility

13 August 2020

Mr. Hassan Abdulrahman Al Serkal
Executive Vice President -Head of Operations Division
Dubai Financial Market, United Arab Emirates

<u>Subject: Agility's BOD results</u>

Reference to the above mentioned subject, kindly be informed that Agility's Board of Directors has met on Thursday August 13th 2020 at 1:30 pm and approved the financial results for the second quarter of 2020 ending on 30 June 2020 as per the attached template.

And pursuant to the requirements of Boursa Kuwait, resolution no. (1) of 2018, we wish to inform you that the quarterly Analyst/ Investors Conference will be held through a Live Webcast on Wednesday 19th August 2020 at 2:00 pm local time. Interested parties can visit our website www.agility.com under News or Investor Relations page for instructions on how to participate in the aforementioned conference. For any clarifications, please reach us at investor@agility.com.

Best Regards,

Tarek Abdulaziz Sultan Al Essa
Vice Chairman and CEO

شركة أجيليتي
للمخازن العمومية ش.م.ك.ع
6 الكويت ٦
Kuwait
Agility Public
Warehousing
Company K.S.C.P.

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Agility Public Warehousing Company K.S.C.P
Commercial Registration No.: 28925
Paid Capital: KD 176,293,055.800

www.agility.com

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شركة أجيليتي للمخازن العمومية ش.م.ك.ع
سجل تجاري رقم: 28925
رأس المال المدفوع: 176,293,055.800 دينار كويتي

Financial Results Form Kuwaiti Company (KWD)	نموذج نتائج البيانات المالية الشركات الكويتية (د.ك.)

Second quarter results Ended on	2020-06-30	نتائج الربع الثاني المنتهي في

Company Name	اسم الشركة
Agility Public Warehousing Company KSCP	شركة أجيليتي للمخازن العمومية ش.م.ك.ع
Board of Directors Meeting Date	تاريخ اجتماع مجلس الإدارة
2020-08-13	
Required Documents	المستندات الواجب إرفاقها بالنموذج
☒ Approved financial statements ☒ Approved auditor's report	☒ نسخة من البيانات المالية المعتمدة ☒ نسخة من تقرير مراقب الحسابات المعتمد

التغيير (%) Change (%)	فترة الستة اشهر المقارنة Six Month Comparativ Period	فترة الستة اشهر الحالية Six Month Current Peri	البيان Statement
	2019-06-30	2020-06-30	
-61.3%	41,894,000	16,209,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-61.3%	21.89	8.47	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
16.8%	568,486,000	663,962,000	الموجودات المتداولة Current Assets
12.7%	1,967,058,000	2,216,740,000	إجمالي الموجودات Total Assets
2.5%	511,504,000	524,516,000	المطلوبات المتداولة Current Liabilities
19.5%	887,369,000	1,060,728,000	إجمالي المطلوبات Total Liabilities
7.8%	1,030,972,000	1,110,906,000	إجمالي حقوق الملكية الخاصة بمساهمي الشركة الأم Total Equity attributable to the owners of the Parent Company
-1.3%	775,043,000	765,050,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
-40.5%	64,359,000	38,299,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)
لا ينطبق Not applicable	لا يوجد خسائر متراكمة No Accumulated Losses	لا يوجد خسائر متراكمة No Accumulated Losses	الخسائر المتراكمة / رأس المال المدفوع Accumulated Loss / Paid-Up Share Capital

التغيير (%) Change (%)	الربع الثاني المقارن Second quarter Comparative Period 2019-06-30	الربع الثاني الحالي Second quarter Current Period 2020-06-30	البيان Statement
-70.4%	21,613,000	6,389,000	صافي الربح (الخسارة) الخاص بمساهمي الشركة الأم Net Profit (Loss) represents the amount attributable to the owners of the parent Company
-70.4%	11.29	3.34	ربحية (خسارة) السهم الأساسية والمخففة Basic & Diluted Earnings per Share
-2.2%	396,270,000	387,441,000	إجمالي الإيرادات التشغيلية Total Operating Revenue
-46.2%	33,006,000	17,766,000	صافي الربح (الخسارة) التشغيلية Net Operating Profit (Loss)

- Not Applicable for first Quarter
- لا ينطبق على الربع الأول

Increase/Decrease in Net Profit (Loss) is due to	سبب ارتفاع/انخفاض صافي الربح (الخسارة)
The reason for the decline in profitability is mainly due to the impact of COVID 19 on part of our operations.	يعود سبب الانخفاض في الأرباح بشكل أساسي الى التأثير السلبي لجائحة كورونا على بعض قطاعات الشركة
Total Revenue realized from dealing with related parties (value, KWD)	بلغ إجمالي الإيرادات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
1,628,000	**1,628,000**
Total Expenditures incurred from dealing with related parties (value, KWD)	بلغ إجمالي المصروفات من التعاملات مع الأطراف ذات الصلة (المبلغ د.ك.)
303,000	303,000

Corporate Actions				استحقاقات الأسهم (الإجراءات المؤسسية)
النسبة	القيمة			
NA	NA			توزيعات نقدية Cash Dividends
NA	NA			توزيعات أسهم منحة Bonus Share
NA	NA			توزيعات أخرى Other Dividend
NA	NA			عدم توزيع أرباح No Dividends
NA	NA	علاوة الإصدار Issue Premium	NA	زيادة رأس المال Capital Increase
NA	NA			تخفيض رأس المال Capital Decrease

The Company's comments in case the auditor has concerns or a qualified opinion	تعقيب الشركة في حال قيام مراقب الحسابات بإبداء ملاحظات أو تحفظات
Due to the ongoing litigation relating to Korek, the Group's management was unable to determine the fair value of this investment and the recoverability of interest bearing loan, thus the external auditors have qualified this investment and the loan to Korek Telecom which are carried at KD 110,930 thousand and KD 35,781 thousand respectively in the consolidated statement of financial position as at 31 December 2019.	نتيجة النزاع المستمر بشركة كوريك تيليكوم لم تتمكن الادارة من تحديد القيمة العادلة لاستثمار المجموعة في شركة كوريك تيليكوم ("كوريك") وامكانية استرداد القرض ذي الفوائد، فقد ابدى المدقق الخارجي للشركة تحفظ على هذا الاستثمار وعلى القرض المقدم لها، بمبلغ 110,930 ألف دينار كويتي ومبلغ 35,781 ألف دينار كويتي على التوالي، في بيان المركز المالي المجمع كما في ٣١ ديسمبر ٢٠١٩.

ختم الشركة Company Seal	التوقيع Signature	المسمى الوظيفي Title	الاسم Name
شركة أجيليتي للمخازن العمومية ش.م.ك.ع الكويت Kuwait 6 ٦ Agility Public Warehousing Company K.S.C.P		Vice Chairman and CEO نائب رئيس مجلس الادارة والرئيس التنفيذي	Tarek Abdul Aziz Sultan Al Essa طارق عبدالعزيز سلطان العيسى

Attach a copy of the financial statements approved by the Board of Directors and the approved auditor's report

يجب ارفاق نسخة البيانات المالية المعتمدة من مجلس الإدارة وتقرير مراقب الحسابات المعتمد

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P.

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Agility Public Warehousing Company K.S.C.P. (the "Parent Company") and its subsidiaries (collectively, the "Group") as at 30 June 2020 and the related interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income for the three months and six months periods then ended and interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the six months period then ended. The management of the Parent Company is responsible for the preparation and presentation of this interim condensed consolidated financial information in accordance with International Accounting Standard IAS 34: Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed consolidated financial information based on our review.

Scope of Review

Except as explained in the following paragraph, we conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim condensed consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4 to the interim condensed consolidated financial information, the Group's investment in and loan to Korek Telecom ("Korek") is carried at KD 110,930 thousand (31 December 2019: KD 109,183 thousand and 30 June 2019: KD 109,205 thousand) and KD 35,781 thousand (31 December 2019: KD 35,259 thousand and 30 June 2019: KD 35,266 thousand) respectively, in the interim condensed consolidated statement of financial position as at 30 June 2020. The Group has filed an arbitration related to its investment in Korek. We were unable to obtain sufficient appropriate evidence about the investment in Korek and the recoverability of the loan as at 30 June 2020 due to the nature and significant uncertainty around the investment and outcome of the arbitration. Consequently, we were unable to determine whether any adjustments to the carrying value of the investment and loan to Korek was necessary.

Qualified Conclusion

Based on our review, except for the possible effect of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

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RSM
RSM Albazie & Co.

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P. (continued)

Emphasis of Matter
We draw attention to:

(i) Note 9 (a) to the interim condensed consolidated financial information which describes the contingencies relating to cost reimbursable contracts with U.S. Coalition Provisional Authority ("CPA");

(ii) Note 9 (b) to the interim condensed consolidated financial information which describe the contingencies and claims with the General Administration of Customs for Kuwait; and

(iii) Note 9 (c) to the interim condensed consolidated financial information which describes the uncertainty relating to renewal of the lease contract with Public Authority for Industry of the State of Kuwait.

Our conclusion is not further qualified in respect of the matters set out above.

Report on Other Legal and Regulatory Requirements
Furthermore, based on our review, the interim condensed consolidated financial information is in agreement with the books of account of the Parent Company. We further report that, to the best of our knowledge and belief, we have not become aware of any violations of the Companies Law No. 1 of 2016, as amended and its Executive Regulations, as amended, or of the Parent Company's Memorandum of Incorporation and Articles of Association, as amended, during the six months period ended 30 June 2020 that might have had a material effect on the business of the Parent Company or on its financial position.

BADER A. AL-ABDULJADER
LICENCE NO. 207 A
EY
AL AIBAN, AL OSAIMI & PARTNERS

Dr. SHUAIB A. SHUAIB
LICENCE NO. 33- A
RSM Albazie & Co.

13 August 2020
Kuwait

Agility Public Warehousing Company K.S.C. P. and Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020 (Unaudited)

	Notes	*30 June 2020 KD 000's*	*(Audited) 31 December 2019 KD 000's*	*30 June 2019 KD 000's*
ASSETS				
Non-current assets				
Property, plant and equipment		216,152	215,458	234,373
Projects in progress		68,196	56,313	60,462
Right-of-use assets		198,311	182,947	160,172
Investment properties		389,801	371,190	302,776
Intangible assets		21,758	25,052	27,589
Goodwill		254,175	254,007	251,940
Investment in associates and joint ventures		101,197	101,352	100,325
Financial assets at fair value through profit or loss	4	113,344	112,148	112,781
Financial assets at fair value through other comprehensive income		16,243	15,856	15,921
Other non-current assets		24,793	22,610	31,319
Loan to a related party	10	113,027	98,732	65,648
Loan to an associate	4	35,781	35,259	35,266
Total non-current assets		1,552,778	1,490,924	1,398,572
Current assets				
Inventories		26,024	28,674	26,311
Trade receivables		340,302	331,616	339,689
Other current assets		105,161	99,988	111,204
Bank balances and cash	5	192,475	130,932	91,282
Total current assets		663,962	591,210	568,486
TOTAL ASSETS		2,216,740	2,082,134	1,967,058
EQUITY AND LIABILITIES				
EQUITY				
Share capital		176,294	176,294	176,294
Share premium		152,650	152,650	152,650
Statutory reserve		85,368	85,368	76,279
Treasury shares	6	(49,239)	(49,239)	(49,239)
Treasury shares reserve		44,366	44,366	44,366
Foreign currency translation reserve		(38,473)	(39,548)	(39,248)
Hedging reserve		(26,807)	(19,842)	(19,859)
Investment revaluation reserve		60	60	351
Other reserves		(499)	(706)	(25,823)
Retained earnings		767,186	750,977	715,201
Equity attributable to equity holders of the Parent Company		1,110,906	1,100,380	1,030,972
Non-controlling interests		45,106	49,190	48,717
Total equity		1,156,012	1,149,570	1,079,689
LIABILITIES				
Non-current liabilities				
Provision for employees' end of service benefits		52,139	50,351	49,105
Interest bearing loans		313,366	247,708	194,936
Lease liabilities		157,035	131,319	121,203
Other non-current liabilities		13,672	12,708	10,621
Total non-current liabilities		536,212	442,086	375,865
Current liabilities				
Interest bearing loans		22,239	23,148	52,060
Lease liabilities		37,360	36,974	30,274
Trade and other payables		456,840	422,213	420,414
Dividends payable		8,077	8,143	8,756
Total current liabilities		524,516	490,478	511,504
Total liabilities		1,060,728	932,564	887,369
TOTAL EQUITY AND LIABILITIES		2,216,740	2,082,134	1,967,058

Tarek Abdul Aziz Sultan
Vice Chairperson and CEO

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME

For the period ended 30 June 2020 (Unaudited)

		Three months ended 30 June		*Six months ended 30 June*	
		2020	*2019*	***2020***	*2019*
	Notes	***KD 000's***	*KD 000's*	***KD 000's***	*KD 000's*
Revenues					
Logistics and freight forwarding revenues		**334,224**	312,989	**639,249**	613,568
Rental revenues		**15,728**	17,716	**33,287**	35,265
Other services		**37,489**	65,565	**92,514**	126,210
Total revenues		**387,441**	396,270	**765,050**	775,043
Cost of revenues		**(271,237)**	(267,189)	**(521,451)**	(522,024)
Net revenues		**116,204**	129,081	**243,599**	253,019
General and administrative expenses		**(24,108)**	(23,018)	**(50,787)**	(45,502)
Salaries and employee benefits		**(52,851)**	(59,595)	**(114,195)**	(116,708)
Restructuring expenses		**(4,259)**	(108)	**(4,475)**	(165)
Change in fair value of investment properties		**(443)**	-	**(443)**	-
Share of results of associates and joint ventures		**230**	1,041	**(1,283)**	1,879
Miscellaneous income		**2,118**	1,218	**3,429**	2,437
Profit before interest, taxation, depreciation, amortisation and Directors' remuneration (EBITDA)		**36,891**	48,619	**75,845**	94,960
Depreciation		**(17,431)**	(14,094)	**(34,245)**	(27,864)
Amortisation		**(1,694)**	(1,519)	**(3,301)**	(2,737)
Profit before interest, taxation and Directors' remuneration (EBIT)		**17,766**	33,006	**38,299**	64,359
Interest income		**542**	1,837	**1,090**	3,369
Finance costs		**(6,395)**	(5,425)	**(11,940)**	(10,931)
Profit before taxation and Directors' remuneration		**11,913**	29,418	**27,449**	56,797
Taxation	7	**(3,503)**	(3,219)	**(5,901)**	(6,593)
Directors' remuneration		**(35)**	(35)	**(70)**	(70)
PROFIT FOR THE PERIOD		**8,375**	26,164	**21,478**	50,134
Attributable to:					
Equity holders of the Parent Company		**6,389**	21,613	**16,209**	41,894
Non-controlling interests		**1,986**	4,551	**5,269**	8,240
		8,375	26,164	**21,478**	50,134
BASIC AND DILUTED EARNINGS PER SHARE – ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT COMPANY (fils)	8	**3.34**	11.29	**8.47**	21.89

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2020 (Unaudited)

	Three months ended 30 June		*Six months ended 30 June*	
	2020	*2019*	***2020***	*2019*
	KD 000's	*KD 000's*	***KD 000's***	*KD 000's*
Profit for the period	**8,375**	26,164	**21,478**	50,134
Other comprehensive (loss) income:				
Items that are or may be reclassified to consolidated statement of income in subsequent periods:				
Foreign currency translation adjustments	**(11,640)**	(2,397)	**1,665**	(1,185)
Share of other comprehensive income (loss) of associates and joint ventures	**190**	(534)	**(1,118)**	(777)
Gain (loss) on hedge of net investments	**3,677**	371	**(1,604)**	228
Loss on cash flow hedges	**(1,644)**	(243)	**(4,243)**	(410)
Net other comprehensive loss that are or may be reclassified to consolidated statement of income in subsequent periods	**(9,417)**	(2,803)	**(5,300)**	(2,144)
Items that will not be reclassified to the consolidated statement of income:				
Revaluation surplus from transfer of land	**-**	-	**261**	-
Net other comprehensive income that will not be reclassified to consolidated statement of income in subsequent periods	**-**	-	**261**	-
Total other comprehensive loss	**(9,417)**	(2,803)	**(5,039)**	(2,144)
Total comprehensive (loss) income for the period	**(1,042)**	23,361	**16,439**	47,990
Attributable to:				
Equity holders of the Parent Company	**(2,528)**	19,294	**10,580**	40,112
Non-controlling interests	**1,486**	4,067	**5,859**	7,878
	(1,042)	23,361	**16,439**	47,990

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 June 2020 (Unaudited)

	Notes	*Six months ended 30 June* 2020 KD 000's	2019 KD 000's
OPERATING ACTIVITIES			
Profit before taxation and Directors' remuneration		**27,449**	56,797
Adjustments for:			
Change in fair value of investment properties		**443**	-
Expected credit losses on trade receivables		**1,541**	446
Provision for employees' end of service benefits		**6,040**	5,874
Foreign currency exchange gain		**(78)**	(283)
Share of results of associates and joint ventures		**1,283**	(1,879)
Miscellaneous income		**(3,429)**	(2,437)
Depreciation of property, plant and equipment and right-of-use assets		**34,245**	27,864
Amortisation		**3,301**	2,737
Interest income		**(1,090)**	(3,369)
Finance costs		**11,940**	10,931
Operating profit before changes in working capital		**81,645**	96,681
Inventories		**2,861**	(5,418)
Trade receivables		**(12,487)**	(1,394)
Other current assets		**(4,147)**	(11,910)
Trade and other payables		**36,765**	(24,935)
		104,637	53,024
Taxation paid		**(5,996)**	(8,396)
Employees' end of service benefits paid		**(5,021)**	(3,464)
Directors' remuneration paid		**-**	(140)
Net cash flows generated from operating activities		**93,620**	41,024
INVESTING ACTIVITIES			
Net movement in financial assets at fair value through profit or loss		**585**	427
Net movement in financial assets at fair value through other comprehensive income		**(449)**	(786)
Additions to property, plant and equipment		**(26,362)**	(23,672)
Proceeds from disposal of property plant and equipment		**301**	366
Loan to a related party	10	**(14,295)**	(21,242)
Additions to intangible assets		**(8)**	-
Additions to projects in progress		**(1,625)**	(10,164)
Additions to investment properties		**(4,521)**	(787)
Dividends received from an associate		**2,272**	2,186
Acquisition of investment in an associate		**(4,375)**	-
Acquisition of additional interest in a subsidiary		**(713)**	(203)
Acquisition of subsidiaries net of cash acquired		**-**	(1,665)
Interest income received		**651**	782
Net movement in other non-current assets		**(646)**	(100)
Net movement in deposits with original maturities exceeding three months		**(695)**	(3,022)
Net cash flows used in investing activities		**(49,880)**	(57,880)
FINANCING ACTIVITIES			
Net movement in interest bearing loans		**62,235**	35,324
Payment of lease obligations		**(25,844)**	(16,860)
Finance cost paid		**(8,299)**	(6,055)
Dividends paid to equity holders of the Parent Company		**(61)**	(21,171)
Dividends paid to non-controlling interests		**(11,086)**	(12,319)
Additional share capital issued by a subsidiary		**-**	260
Net cash flows generated from (used in) financing activities		**16,945**	(20,821)
Net foreign exchange differences		**163**	10
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**60,848**	(37,667)
Cash and cash equivalents at 1 January		**130,932**	125,927
CASH AND CASH EQUIVALENTS AT 30 JUNE	5	**191,780**	88,260

The attached notes 1 to 14 form part of this interim condensed consolidated financial information.