COMBINED AND CARVE-OUT FINANCIAL STATEMENTS OF AGILITY SPINCO

COMBINED AND CARVE-OUT FINANCIAL STATEMENTS

31 DECEMBER 2023

The combined and carve-out financial statements of Agility SpinCo are intended to convey the historical business activities of Agility SpinCo, which aligns to the perimeter of **Agility Global PLC** following the reorganization of the businesses/entities as listed in Note 1.

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P.ON THE COMBINED AND CARVE-OUT FINANCIAL STATEMENTS

Opinion

We have audited the combined and carve-out financial statements of the entities forming part of the combined and carve-out perimeter as described in Note 1 (collectively referred to as "Agility SpinCo"), which comprise the combined and carve-out statement of financial position as at 31 December 2023, and the combined and carve-out statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the combined and carve-out financial statements, including material accounting policy information.

In our opinion, the accompanying combined and carve-out financial statements present fairly, in all material respects, the combined and carve-out financial position of Agility SpinCo as at 31 December 2023, and its combined and carve-out financial performance and combined and carve-out cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Combined and Carve-out Financial Statements* section of our report. We are independent of Agility SpinCo in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code) together with the ethical requirements that are relevant to our audit of the combined and carve-out financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

(i) We draw attention to Note 2 to the combined and carve-out financial statements, which describes the Basis of Preparation of the combined and carve-out financial statements. Agility SpinCo has not operated as a separate entity, as of the year ended 31 December 2023 . The combined and carve-out financial statements of Agility SpinCo are, therefore, not necessarily indicative of the financial performance, financial position and cash flows, had Agility SpinCo functioned as an independent group or a separate entity during the year ended 31 December 2023, or of the future results or future performance of Agility SpinCo.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P ON THE COMBINED AND CARVE-OUT FINANCIAL STATEMENTS (continued)

Emphasis of matters (continued)

(ii) The combined and carve-out financial statements are prepared by the management of Agility Public Warehousing Company K.S.C.P. to present the historical financial information of Agility SpinCo that are transferred or are in the process of being transferred to Agility Global PLC (erstwhile, Horizon Participation Holding VI Limited), and for inclusion of the combined and carve-out financial statements in a prospectus and regulatory filing in connection with the listing of shares of Agility Global PLC in the Abu Dhabi Securities Exchange in the United Arab Emirates. As a result, the combined and carve-out financial statements may not be suitable for any other purpose.

Our opinion is not qualified in respect of these matters.

Responsibilities of the Board of Directors for the Combined and Carve-out Financial Statements

The Board of Directors of Agility Public Warehousing Company K.S.C.P is responsible for the preparation and fair presentation of the combined and carve-out financial statements in accordance with IFRS, and for such internal control as the Board of Directors determines is necessary to enable the preparation of combined and carve-out financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the combined and carve-out financial statements, the Board of Directors is responsible for assessing Agility SpinCo's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate Agility SpinCo or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Combined and Carve-out Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined and carve-out financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the combined and carve-out financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined and carve-out financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF AGILITY PUBLIC WAREHOUSING COMPANY K.S.C.P ON THE COMBINED AND CARVE-OUT FINANCIAL STATEMENTS (continued)

Auditor's Responsibilities for the Audit of the Combined and Carve-out Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agility SpinCo's internal control;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Agility SpinCo's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the combined and carve-out financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Agility SpinCo to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the combined and carve-out financial statements, including the disclosures, and whether the combined and carve-out financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Agility SpinCo to express an opinion on the combined and carve-out financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Signed by:
Ahmad Al Dali
Partner
Ernst & Young

21 March 2024
Abu Dhabi, United Arab Emirates

COMBINED AND CARVE-OUT STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	*31 December 2023* USD 000's	*(Restated *) 31 December 2022* USD 000's
ASSETS			
Non-current assets			
Property, plant and equipment	5	**933,508**	902,595
Projects in progress	6	**59,340**	61,080
Right-of-use assets	7	**474,841**	434,252
Investment properties	8	**725,345**	606,286
Intangible assets	9	**271,423**	303,202
Goodwill	10	**851,834**	835,191
Investment in associates and joint ventures	11	**456,747**	438,742
Financial assets at fair value through profit or loss	12	**8,195**	18,053
Financial assets at fair value through other comprehensive income	13	**3,504,865**	3,208,882
Other non-current assets		**462,029**	99,202
Loans to related parties	28	**735,568**	597,415
Amount due from related parties	28	**25,514**	25,640
Total non-current assets		**8,509,209**	7,530,540
Current assets			
Inventories	14	**190,053**	147,288
Trade receivables	15	**586,012**	585,899
Amount due from related parties	28	**12,816**	12,336
Other current assets	16	**310,211**	239,344
Bank balances, cash and deposits	17	**564,642**	383,762
Total current assets		**1,663,734**	1,368,629
TOTAL ASSETS		**10,172,943**	8,899,169
EQUITY AND LIABILITIES			
EQUITY			
Share capital	18	**769,964**	2,094,113
Other contributions	18	**1,338,555**	1,555,839
Invested equity attributable to Agility SpinCo		**2,108,519**	3,649,952
Non-controlling interests		**392,397**	375,583
Total invested equity		**2,500,916**	4,025,535
LIABILITIES			
Non-current liabilities			
Provision for employees' end of service benefits	19	**71,129**	53,587
Interest bearing loans	20	**2,851,885**	453,462
Lease liabilities	7	**404,110**	331,348
Amount due to related parties	28	**2,802,764**	2,747,087
Other non-current liabilities	21	**160,595**	185,773
Total non-current liabilities		**6,290,483**	3,771,257
Current liabilities			
Interest bearing loans	20	**366,268**	162,548
Lease liabilities	7	**135,496**	99,723
Trade and other payables	22	**876,973**	837,590
Amount due to related parties	28	**2,807**	2,516
Total current liabilities		**1,381,544**	1,102,377
Total liabilities		**7,672,027**	4,873,634
TOTAL EQUITY AND LIABILITIES		**10,172,943**	8,899,169

**Certain figures shown here do not correspond to the 2022 combined and carve-out financial statements and reflect adjustments made as detailed in Note 25.*

Tarek Abdulaziz Sultan AlEssa
Authorised Signatory

The attached notes 1 to 33 form part of these combined and carve-out financial statements.

COMBINED AND CARVE-OUT STATEMENT OF INCOME
For the year ended 31 December 2023

	Notes	***2023 USD 000's***	*2022 USD 000's*
Revenue from contract with customers	23	**3,935,869**	2,352,181
Direct expenses		**(1,672,517)**	(1,225,235)
Other operating expenses	24	**(1,740,130)**	(811,058)
Change in fair value of investment properties	8	**43,963**	73,475
Transaction costs on acquisition of entities as part of business combination		-	(24,718)
Share of results of associates and joint ventures	11	**20,140**	(6,989)
Unrealised loss on financial assets at fair value through profit or loss		**(8,410)**	(20,634)
Expected credit loss on loans to related parties	28	**(10,000)**	-
Dividend income		**18,055**	15,910
Miscellaneous income		**18,585**	10,427
Profit before interest, taxation, depreciation and amortisation (EBITDA)		**605,555**	363,359
Depreciation	5 & 7	**(239,302)**	(124,904)
Amortisation	9	**(33,543)**	(21,019)
Profit before interest and taxation (EBIT)		**332,710**	217,436
Interest income		**7,480**	1,988
Finance costs		**(216,567)**	(114,231)
Profit before taxation		**123,623**	105,193
Taxation		**(36,003)**	(20,877)
PROFIT FOR THE YEAR		**87,620**	84,316
Attributable to:			
Equity holders of Agility SpinCo		**50,432**	62,454
Non-controlling interests		**37,188**	21,862
		87,620	84,316

The attached notes 1 to 33 form part of these combined and carve-out financial statements.

COMBINED AND CARVE-OUT STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2023

	2023 USD 000's	*2022 USD 000's*
Profit for the year	**87,620**	84,316
Other comprehensive income:		
Items that may be reclassified to the combined and carve-out statement of income in subsequent periods:		
Foreign currency translation adjustments	**(6,978)**	(4,688)
Share of other comprehensive (loss) income of associates and joint venture (Note 11)	**(1,044)**	5,072
(Loss) gain on cash flow hedges	**(1,577)**	3,111
Net other comprehensive (loss) income that may be reclassified to combined and carve-out statement of income in subsequent periods	**(9,599)**	3,495
Items that will not be reclassified to the combined and carve-out statement of income		
Changes in fair value of equity instruments at fair value through other comprehensive income	**270,032**	(1,558,415)
Re-measurement loss on defined benefit plans (Note 19)	**(690)**	(22,043)
Gain on fair value hedges	**179,677**	-
Net other comprehensive income (loss) that will not be reclassified to combined and carve-out statement of income	**449,019**	(1,580,458)
Total other comprehensive income (loss)	**439,420**	(1,576,963)
Total comprehensive income (loss) for the year	**527,040**	(1,492,647)
Attributable to:		
Equity holders of Agility SpinCo	**509,839**	(1,518,454)
Non-controlling interests	**17,201**	25,807
	527,040	(1,492,647)

The attached notes 1 to 33 form part of these combined and carve-out financial statements.

COMBINED AND CARVE-OUT STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 USD 000's	(Restated) 2022 USD 000's
OPERATING ACTIVITIES			
Profit before taxation		**123,623**	105,193
Adjustments for:			
Expected credit losses on trade receivables	15	**7,250**	10,309
Expected credit losses on loans to related parties	28	**10,000**	-
Change in fair value of investment properties	8	**(43,963)**	(73,475)
Release of provision no longer required	15	-	(17,707)
Provision for employees' end of service benefits	19	**41,763**	19,562
Foreign currency exchange gain		**(1,567)**	(4,160)
Share of results of associates and joint ventures	11	**(20,140)**	6,989
Unrealised loss on financial assets at fair value through profit or loss		**8,410**	20,634
Dividend income		**(18,055)**	(15,910)
Depreciation	5 & 7	**239,302**	124,904
Amortisation	9	**33,543**	21,019
Interest income		**(7,480)**	(1,988)
Finance costs		**216,567**	114,231
Operating profit before changes in working capital		**589,253**	309,601
Inventories		**(44,476)**	(62,400)
Trade receivables		**(55,630)**	(50,092)
Other current assets		**53,826**	11,665
Trade and other payables		**12,209**	(7,629)
		555,182	201,145
Taxation paid		**(31,064)**	(21,196)
Employees' end of service benefits paid	19	**(19,522)**	(11,610)
Net cash flows from operating activities		**504,596**	168,339
INVESTING ACTIVITIES			
Net movement in financial assets at fair value through profit or loss		**(551)**	(18,005)
Net movement in financial assets at fair value through other comprehensive income		**(23,050)**	(219,608)
Additions to property, plant and equipment	5	**(137,205)**	(66,089)
Proceeds from disposal of property, plant and equipment		**4,305**	19,349
Loans to related parties		**(127,175)**	(84,032)
Additions to projects in progress	6	**(9,234)**	(56,271)
Additions in investments in associates and joint ventures		**(14,294)**	-
Dividends received		**35,708**	29,609
Net cash outflow from acquisition of entities as part of business combination		**(9,466)**	(621,611)
Net cash flows used in investing activities		**(280,962)**	(1,016,658)
FINANCING ACTIVITIES			
Received from related parties		-	1,234,427
Payments to related parties		**(17,104)**	(4,982)
Parent Company investment received		**69,302**	59,237
Parent Company investment distributed		**(209,507)**	-
Proceeds from interest bearing loans		**2,529,584**	529,775
Repayment of interest bearing loans		**(26,723)**	(686,264)
Payment of lease obligations	7	**(155,090)**	(82,139)
Finance costs paid		**(336,884)**	(19,774)
Dividends paid to the Parent Company		**(1,880,334)**	-
Dividends paid to non-controlling interest		**(13,636)**	-
Net cash flows (used in) from financing activities		**(40,392)**	1,030,280
NET INCREASE IN CASH AND CASH EQUIVALENTS		**183,242**	181,961
Net foreign exchange translation differences		**(2,362)**	(5,248)
Cash and cash equivalents at 1 January		**383,762**	207,049
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	17	**564,642**	383,762

The attached notes 1 to 33 form part of these combined and carve-out financial statements.

COMBINED AND CARVE-OUT STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Share capital USD 000's	*Other contributions USD 000's*	*Invested equity attributable to the equity holders of Agility SpinCo USD 000's*	*Non- controlling interests USD 000's*	*Total Invested equity USD 000's*
As at 1 January 2023 *(Audited)*	**2,094,113**	**1,555,839**	**3,649,952**	**394,589**	**4,044,541**
Restatement (Note 25)	-	**-**	**-**	**(19,006)**	**(19,006)**
As at 1 January 2023 (restated)	**2,094,113**	**1,555,839**	**3,649,952**	**375,583**	**4,025,535**
Profit for the year	-	**50,432**	**50,432**	**37,188**	**87,620**
Other comprehensive income (loss)	-	**459,407**	**459,407**	**(19,987)**	**439,420**
Total comprehensive (loss) income for the year	-	**509,839**	**509,839**	**17,201**	**527,040**
Share capital reduction (Note 18)	**(1,324,149)**	-	**(1,324,149)**	-	**(1,324,149)**
Net movement in Parent Company investment	-	**1,203,701**	**1,203,701**	-	**1,203,701**
Dividends to Parent Company (Note 18)	-	**(1,919,672)**	**(1,919,672)**	-	**(1,919,672)**
Dividends to non-controlling interests	-	-	-	**(8,732)**	**(8,732)**
Acquisition of additional interest in subsidiaries	-	**(11,152)**	**(11,152)**	**8,345**	**(2,807)**
As at 31 December 2023	**769,964**	**1,338,555**	**2,108,519**	**392,397**	**2,500,916**
As at 1 January 2022	2,094,083	2,932,462	5,026,545	150,319	5,176,864
Profit for the year	-	62,454	62,454	21,862	84,316
Other comprehensive (loss) income	-	(1,580,908)	(1,580,908)	3,945	(1,576,963)
Total comprehensive (loss) income for the year	-	(1,518,454)	(1,518,454)	25,807	(1,492,647)
Net movement in Parent Company investment	30	177,747	177,777	-	177,777
Dividends to Parent Company	-	(35,916)	(35,916)	-	(35,916)
Acquisition of entities as part of business combination (Note 25)	-	-	-	218,463	218,463
As at 31 December 2022	2,094,113	1,555,839	3,649,952	394,589	4,044,541

The attached notes 1 to 33 form part of these combined and carve-out financial statements.

NOTES TO THE COMBINED AND CARVE-OUT FINANCIAL STATEMENTS
As at 31 December 2023

1 BACKGROUND AND CORPORATE INFORMATION

Agility Public Warehousing Company K.S.C.P. (the "Parent Company") and subsidiaries (collectively referred to as the "Agility Group" or the "Group") is a public shareholding company incorporated in 1979 and listed on Boursa Kuwait and Dubai Stock Exchange. The Parent Company's Head office is located at Sulaibia, beside the Land Customs Clearing Area, P.O. Box 25418, Safat 13115, Kuwait. The Group operates under the brand name of "Agility".

The Group is engaged in aviation services, fuel logistics, industrial real estate, investing surplus funds in emerging markets/sectors and other related services and is a global operator with presence in over 100 countries.

On May 30, 2023, the shareholders of the Parent Company acting through ordinary general assembly, and, on June 7, 2023, the shareholders of the Parent Company acting through extraordinary general assembly, approved the listing of the Parent Company's non-Kuwaiti subsidiaries on any non-Kuwaiti stock exchange (the "Shareholder Approvals"). In furtherance of such Shareholder Approvals, the Board of Directors of the Parent Company is contemplating the listing on the Abu Dhabi Securities Exchange ("ADX") of Agility Global PLC (previously Horizon Participation Holding VI Limited), a newly incorporated entity registered in Abu Dhabi Global Market ("ADGM") in the United Arab Emirates (UAE) subject to various approvals, including the approval of the ADX (the "Transaction").

In connection with the Transaction, on 21 September 2023, the Board has approved the transfer of certain businesses/entities listed below and their registration in the name of Agility Global PLC and any other subsidiaries of Agility Global PLC.

The Board of Directors of the Parent Company has also directed the management of Parent Company to prepare the combined and carve-out financial statements of Agility SpinCo for the purpose of inclusion of these combined and carve-out financial statements in a prospectus and regulatory filing in connection with the Transaction. The following entities (along with their underlying subsidiaries, where applicable) from the Group will be included in the combined and carve-out financial statements of Agility SpinCo forming part of the combined and carve-out perimeter (the below combined entities are collectively referred to as "Agility SpinCo").

	Ownership % as at 31 December			
Name of the entity	***2023***	*2022*	***Country of incorporation***	***Principal activities of underlying subsidiaries***
John Menzies Limited *	**100**	100	United Kingdom	Ground handling and aviation services
NAS Holding for Company Business Management (Holding Co) WLL *	**100**	100	Kuwait	Ground handling and aviation services
Agility Venture Capital Holdings Limited	**100**	100	U.A.E.	Holding investments
Catering Logistics for General Trading and Contracting Co WLL	**100**	100	Kuwait	Catering, camps and construction
Tristar Holding Limited **	**65**	65	U.A.E.	Fuel logistics services
Agility DGS Logistics Services Co KSCC	**100**	100	Kuwait	Logistics services to Government entities
Ostram Holdings Limited	**100**	100	Cayman Islands	Provides customs solutions to governments
Agility E-Services Private Ltd	**100**	100	India	IT services
Horizon International Holdings Limited	**100**	100	U.A.E.	Holding investments
Agility Logistics Parks SPC	**100**	100	Saudi Arabia	Development and leasing of logistics parks
Agility DistriParks FZE	**100**	100	U.A.E.	Development and leasing of logistics parks
Shipa Freight Solution LLC	**100**	100	U.A.E.	Online freight platform
Shipa E commerce LLC	**100**	100	U.A.E.	E-commerce solutions
Homoola Trucks for Communication and Information Technology SPC	**100**	100	Saudi Arabia	Last mile delivery
Shipa for Shipping Co. SPC	**100**	100	Saudi Arabia	Last mile delivery
Shipa Delivery Services LLC	**100**	100	U.A.E.	Last mile delivery

1 BACKGROUND AND CORPORATE INFORMATION (continued)

Name of the entity	*Ownership % as at 31 December*		*Country of incorporation*	*Principal activities of underlying subsidiaries*
	2023	*2022*		
Shipa for Sending, receiving, distributing mailings, postal parcels and courier letter by air Co. WLL	**100**	100	Kuwait	Last mile delivery
Agility GIL BV	**100**	100	Netherlands	Holding investments
Agility Strategies Holding Limited	**100**	100	U.A.E.	Holding investments
Agility Investment BV ***	**100**	100	Netherlands	Holding investments
Elaf National for General Trading and Contracting Co WLL	**100**	100	Kuwait	Holding investments
Agility Alternative Energy Solutions Co KSCC	**100**	100	Kuwait	Holding investments
Modern International Real Estate Co. WLL	**100**	100	Kuwait	Holding investments
PWC Technology for Computers Co WLL	**100**	100	Kuwait	Customs solutions
PWC Aviation Services Co KSCC	**100**	100	Kuwait	Commercial Real Estate
Horizon Participation Holding I Limited	**100**	100	U.A.E.	Holding company including laboratory business
Alcazar Capital Partners L.P	**100**	100	Cayman Islands	Holding investments
Agility Strategies Holding I Limited ****	**100**	100	U.A.E.	Holding investments

* These entities are held through a holding company, Menzies Holding Limited
** This entity is held through a holding company, Agility Tristar Holding Limited
*** The underlying assets held by this entity, and forming part of the combined and carve-out perimeter, was previously held under Agility GIL BV.
**** The underlying assets held by this entity, and forming part of the combined and carve-out perimeter, was previously held under Agility Strategies Holding Limited.

These combined and carve-out financial statements of Agility SpinCo for the year ended 31 December 2023, were authorised for issue in accordance with a resolution of the Board of Directors on 18 March 2024.

2 BASIS OF PREPARATION OF COMBINED AND CARVE-OUT FINANCIAL STATEMENTS

2.1 COMBINED AND CARVE-OUT PERIMETER

The combined and carve-out financial statements are prepared by carving-out businesses, which are in the form of legal entities, from the Group's consolidated financial statements and extracting the financial information relating to the business/entities (mentioned in Note 1), which will eventually be transferred to Agility Global PLC.

Horizon Fuel Logistics Holding Limited ("HFLHL"), an entity forming part of Agility SpinCo has entered into a share purchase agreement with the Parent Company in respect of the shares of Agility Tristar Holding Limited ("ATHL"). The Parent Company currently holds the legal and beneficial interest in ATHL. The transfer of shares in ATHL remains subject to certain amendments to Tristar's existing facilities or waiver by the relevant counterparties of certain restrictions thereunder (the "Tristar Condition"). The Tristar Condition is waivable entirely at the election of HFLHL and HFLHL will have the obligation to waive the Tristar Condition and complete the acquisition if it has not yet been satisfied as of 31 March 2024 or before the listing, whichever is earlier.

The combined and carve-out financial statements for the year ended 31 December 2023 represents the assets, associated liabilities and the operations of the business components/entities of the Group as mentioned above. The combination exercise is carried out by combining all these legal entities, as it meets the business definition.

2 BASIS OF PREPARATION OF COMBINED AND CARVE-OUT FINANCIAL STATEMENTS (continued)

2.1 COMBINED AND CARVE-OUT PERIMETER (continued)

The following business units are in the form of legal entities (mentioned in Note 1), which are subsidiaries of the Group. A brief description of the businesses, that will form part of the Agility SpinCo perimeter is set out below:

- *National Aviation Services (NAS) and Menzies*

NAS is an aviation services provider headquartered in Kuwait City, Kuwait. NAS operates through emerging markets countries across Africa, Asia and the Middle East. The services offered are primarily ground handling, air cargo management services, operation of airport lounges etc.

Menzies was acquired (100%) by Agility in August 2022 as an addition to its existing NAS business of providing aviation services. The combined and integrated business (Menzies and NAS) operate as one of the world's largest aviation services company by number of countries and second largest by number of airports served.

- *United Projects for Aviation Services Company K.S.C.P. (UPAC)*

UPAC is a full-service commercial real estate and facilities management company that is listed on the Boursa Kuwait and has operated in Kuwait since 2000. UPAC manages over 24,000 sqm of commercial space and parking facilities at the Kuwait International Airport Terminals. UPAC is also a lead investor in the development of Abu Dhabi's $1.2 billion Reem Mall mega-project. UPAC's services include real estate management, project management and consultancy, as well as maintenance and facilities management services.

- *Tristar*

Tristar is headquartered in Dubai and offers end to end fuel logistics solutions to clients including international and national oil companies and intergovernmental organizations. Tristar's integrated energy logistics platform spans road and maritime transportation, specialized warehousing, fuel farms, commercial aviation refuelling and remote fuel supply operations. It was founded in 1998 and has grown to become Middle East's largest privately-owned liquid logistics company with operations in 29 countries and territories spread across the Middle East, Asia, Africa, the Pacific, the Americas and Europe.

- *Gulf Catering Company for General Trade and Contracting W.L.L (GCC)*

GCC was registered as a limited liability company and incorporated on 25 May 2005 in Kuwait. The principal activities of GCC are to provide camp catering services, integrated facility management and camp construction.

- *Agility Defence & Government Services (DGS)*

DGS is a business unit that offers specialised logistics services to defence and government bodies. This includes supply chain solutions including specialised procurement, warehousing, inventory and distribution, contingency logistics and military logistics (moving miliary grade equipment, disposing of surplus military equipment etc).

- *Shipa*

Shipa group comprises digital logistics companies that provide self-service freight and logistics management (Shipa Freight); e-commerce fulfilment, IT integration and related services (Shipa Ecommerce); and last-mile and local delivery for businesses and consumers (Shipa Delivery).

- *Inspection Control Services (ICS)*

ICS provides customs solutions and IT support for customs clearance and processing.

- *Agility Logistic Parks (ALP)*

Construction, development and leasing of Grade A warehousing and logistics complexes in the Middle East, Africa and South Asia. ALP businesses have a country logic with standalone businesses, assets, financials and local management. ALP businesses are managed by countries (i.e. each country management reports to Agility Corporate directly) and there is no dedicated management team for the whole ALP. All the geographies, except ALP Kuwait, will be transferred to Agility Global PLC.

2 BASIS OF PREPARATION OF COMBINED AND CARVE-OUT FINANCIAL STATEMENTS (continued)

2.1 COMBINED AND CARVE-OUT PERIMETER (continued)

- *Investments*

Investments represent investments classified as 'Fair value Through Profit or Loss (FVTPL), Fair Value through Other Comprehensive Income (FVOCI), Investments in Associates and Joint Ventures and Loan to related parties measured at FVTPL.

- *Others*

The 'Others' category represents multiple business lines that are not included above and are individually not material. All these other business lines will be transferred to Agility Global PLC.

The combined and carve-out financial statements for the above-mentioned historical periods relate to Agility SpinCo (the entities forming part of perimeter) as a "reporting entity", as these businesses did not constitute a group in any of the periods presented. These combined entities have historically operated as part of Agility Group and not collectively operated as a separate group. The combined and carve-out financial statements represent the historical results of Agility SpinCo that have been derived from the Group's historical accounting records (prepared under IFRS framework) and are presented on a combined and carve-out basis.

The Group believes that Agility SpinCo meets the definition of a reporting entity under the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board (IASB), considering the revised Conceptual Framework for Financial Reporting (Conceptual Framework) issued in March 2018. Management has considered the requirements of 'The Reporting Entity' under the Conceptual Framework.

Agility SpinCo represents a circumscribed area of economic activities whose financial information has the potential to be useful to existing and prospective investors, regulators, lenders and other creditors. In determining whether a reporting entity exists as a basis for preparing the combined and carve-out financial statements of Agility SpinCo, management has considered and evaluated the following factors:

- Specific economic activities are being conducted. The economic activities can be objectively distinguished from those of other business or operations of the Group;

- The objective of combined and carve-out financial statements is to provide financial information about Agility SpinCo's assets, liabilities, equity, income and expenses that is useful to users of financial statements in assessing the prospects for future net cash inflows of Agility SpinCo and in assessing management's stewardship of Agility SpinCo's economic resources;

- Financial information about the economic activities of Agility SpinCo has the potential to be useful in making decisions about providing resources to Agility SpinCo and is relevant to the primary users of Agility SpinCo's financial statements;

- Assets, liabilities, operations, income and expenses of Agility SpinCo are under common control and common management of the Group for all the periods presented in the combined and carve-out financial statements;

- The boundary of Agility SpinCo does not contain an arbitrary or incomplete set of economic activities; the set of economic activities within the boundary of Agility SpinCo results in neutral and complete information for the users of the combined and carve-out financial statements; and

- The economic activity of Agility SpinCo is legally bound together through a legal reorganisation that is expected to occur subsequent to the reporting date. However, there will be no change in Agility SpinCo perimeter in the combined and carve-out financial statements and the legal reorganisation.

As a result, the basis of preparation results in a fair presentation of these combined and carve-out financial statements of Agility SpinCo in accordance with IFRS.

2 BASIS OF PREPARATION OF COMBINED AND CARVE-OUT FINANCIAL STATEMENTS (continued)

2.1 COMBINED AND CARVE-OUT PERIMETER (continued)

Common control
The existence of a common control of all the combined entities for all the periods presents is imperative for a combined and carve-out financial statement to be regarded as a general-purpose IFRS financial statements. The IFRS Interpretations Committee noted that the ability to include entities within a set of IFRS financial statements depends on the interpretation of 'reporting entity' in the context of common control. The general-purpose combined and carve-out financial statements are only prepared under IFRS when common control exists. The entities forming part of Agility SpinCo are described coherently and are under common control for all the periods presented. Therefore, common control is established for the all the entities forming part of Agility SpinCo perimeter, which is a pre-requisite for a general-purpose combined and carve-out financial statements under IFRS.

Based on the above, Management has determined that the combined and carve-out financial statements of Agility SpinCo will be the most informative basis of preparation for the users of financial statements. The combined and carve-out financial statements of Agility SpinCo will provide users with the historical information on the financial position and financial performance of these spun off entities.

2.2 Purpose of combined and carve-out financial statements

The combined and carve-out financial statements of Agility SpinCo have been prepared for the purposes of inclusion in the Prospectus in connection with the proposed listing of Agility Global PLC on the Abu Dhabi Stock Exchange (ADX). The combined and carve-out financial statements represent the historical operations of Agility SpinCo that are derived from the Agility Group's historical accounting records and are presented on a combined and carve-out basis.

Further, management has considered the following in order to determine basis and appropriateness of the combined and carve-out financial statements:

- the information intended to be conveyed is the historical business activities of Agility SpinCo which would align to the perimeter of Agility Global PLC following its listing.

- The markets in which the combined and carve-out financial statements will be released, and related legal and regulatory requirements seek compliance with IFRS and are prepared based on historical data only.

- The historical financial information of Agility SpinCo for the years ended 31 December 2023 and 31 December 2022 have been extracted from the books and records of the Agility Group's consolidated IFRS financial statements.

The expected users of these combined and carve-out financial statements would be the UAE Securities and Commodities Authority ("SCA" or sometimes referred to as "ESCA") and the shareholders of the Parent Company. Based on the facts and circumstances it is appropriate to prepare general-purpose combined and carve-out financial statements as they are required by regulators and shareholders.

The regulators purport to represent the needs of a wide range of users for a general purpose, for which the users cannot otherwise command the financial information. The combined and carve-out financial statements of Agility SpinCo will be distributed to a wide range of users for the purpose of inclusion in the information memorandum in connection with the proposed listing of Agility Global PLC on the ADX.

2 BASIS OF PREPARATION OF COMBINED AND CARVE-OUT FINANCIAL STATEMENTS (continued)

2.3 Business reorganisation and proposed new structure

Management has decided to reorganise the structure of its businesses by spinning-off certain entities/business (as mentioned in Note 1) to Agility Global PLC (a separate legal entity). Pursuant to the above strategy, management has proposed/effected the following:

- formation of a wholly owned subsidiary of the Parent Company, Agility Global PLC. Assets, liabilities, and operations of Agility SpinCo (combined and carve-out perimeter) will be legally transferred to Agility Global PLC. It is a demerger/spin-off transaction. As at the reporting date, Agility Investments BV and Agility Strategies Holding I Limited were transferred to Agility Global PLC. Subsequent to the reporting date, all the remaining entities in the approved combined and carve-out perimeter (included in Note 1), except for Agility Tristar Holding Limited, Agility Strategies Holding Limited and Agility GIL BV, were transferred to Agility Global PLC.

- direct listing of Agility Global PLC in the ADX, with no additional new capital being raised. As this is a direct listing there will no prospective/new investors involved in this transaction.

- The existing shareholders of the Parent Company will receive shares in Agility Global PLC, post listing of Agility Global PLC in the ADX, in the form of in-kind dividends proportionate to their holdings in the Parent Company and in accordance to the exchange ratio declared by the Board, and in line with the rules and regulations governing distribution of dividends.

Agility Global PLC will be adopting continuation accounting (predecessor accounting), with Agility SpinCo perimeter, in its first financial statements following listing. However, the combined and carve-out financial statements of Agility SpinCo may not be indicative of Agility Global PLC's financial statements, and does not necessarily reflect the results of operations, financial position, and cash flows had Agility SpinCo functioned as an independent group or separate entity. In particular, the following primary differences are expected to arise between the combined and carve-out financial statements of Agility SpinCo and Agility Global PLC financial statements:

- Certain other operating expenses associated with Agility SpinCo but incurred by the Group have been allocated in the combined and carve-out financial statements. It is possible that these allocated expenses may not be representative of the amounts that would have been incurred had Agility SpinCo operated independently of the Group. In the new construct, expenses are expected to be incurred directly by Agility Global PLC. Also, Agility Global PLC and the Parent Company will enter into a transitional service agreement, on commercial terms for various corporate and administrative support services.

- Since Agility Global PLC is a legal entity, it is expected to have share capital, retained earnings and other reserves, as opposed to the combined share capital and other equity contributions in Agility SpinCo.

- Certain intercompany loans, payable to the Parent Company, forming part of the combined and carve-out financial statements will be converted into equity upon listing of Agility Global PLC. The remaining intercompany loans are expected to be novated or replaced with external borrowings.

2.4 Basis of allocation of certain combined and carve-out financial statements elements

Assets, liabilities, revenues, or expenses that are directly attributable to Agility SpinCo and/or included in the financial statements of the entities listed in Note 1 are reflected in these combined and carve-out financial statements. Expenses that are indirectly attributable to Agility SpinCo have been allocated as considered appropriate and reasonable by the management.

Management believes that the allocation methodologies are reasonable; however, expenses allocated to Agility SpinCo are not necessarily indicative of the expenses that would have been incurred on a stand-alone basis nor are they indicative of costs that may be incurred in the future. Actual results could differ from these estimates. It is not practical to estimate the costs that would have been incurred by Agility SpinCo if it had operated on a stand-alone basis or a separate group. The combined and carve-out financial statements may not be indicative of Agility SpinCo's future performance, and does not necessarily reflect the results of operations, financial position, and cash flows had Agility SpinCo functioned as an independent group or separate entity.

The following allocation policies have been used in the preparation of these combined and carve-out financial statements. Unless otherwise noted, these policies have been consistently applied in the combined and carve-out financial statements.

2 BASIS OF PREPARATION OF COMBINED AND CARVE-OUT FINANCIAL STATEMENTS (continued)

2.4 Basis of allocation of certain combined and carve-out financial statements elements (continued)

Financial statement items related specifically to the entities forming part of the perimeter (as mentioned in Note 1) have been identified and included in the combined and carve-out financial statements. These include statement of financial position items, revenue from contracts with customers, cost of revenue, changes in fair value of investments and investments properties, and other operating expenses.

For purposes of presenting the combined and carve-out financial statements, allocations were required to determine the cost of certain administrative activities performed by the Parent Company, attributable to Agility SpinCo. These shared services included, but are not limited to, executive management, finance, information technology, marketing, legal, and human resources. Where specific identification could not be utilised, allocations were made based upon revenue or headcount or earnings or other relevant measures. Allocations of these expenses which have not historically been specifically identified to Agility SpinCo's functions are made based on a methodology which provides the best allocation to the amounts attributable to these functions. This approach to the preparation of the combined and carve-out financial statements of Agility SpinCo is the most effective approach in enabling users of combined and carve-out financial statements to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of Agility SpinCo in an easily analyzable and comprehensible form. The basis set out above has been consistently applied for the periods presented in these combined and carve-out financial statements.

2.5 Basis of combination

Entities (mentioned in Note 1), which comprise Agility SpinCo have been under common control throughout the periods presented in these combined and carve-out financial statements, but they did not form a legal group during any period presented. These entities have subsidiaries, which are firstly consolidated as per the requirements of IFRS 10 ("intermediate consolidation"). After intermediate consolidation, the entities remaining (including consolidated sub-group and standalone entities), that are all under common control in the periods presented, have been combined by aggregating the assets, liabilities, results of the operations, share capital and other contributions/reserves of all the relevant common control entities (mentioned in Note 1), after eliminating intercompany balances and unrealised profits. This combination is performed according to the rules identical to consolidation. Transactions involving the Parent Company and other entities under common control that are not part of the perimeter (and hence are not transferred to Agility Global PLC), are disclosed as transactions with related parties. The financial statements used for combination purposes have been prepared applying the Group's accounting policies.

2.6 Statement of compliance

The combined and carve-out financial statements have been prepared in accordance with IFRS as issued by the IASB. IFRS does not provide guidance for the preparation of combined and carve-out financial statements, and accordingly in preparing the combined and carve-out financial statements certain accounting conventions commonly used for the preparation of historical financial statements have been applied. The application of these conventions has been described in these combined and carve-out financial statements.

The combined and carve-out financial statements are prepared on a historical cost basis, except for investment properties, financial assets carried at fair value through profit or loss, financial assets at fair value through other comprehensive income, loan to a related party and derivative financial instruments that are measured at fair value.

These combined and carve-out financial statements do not constitute statutory financial statements of Agility SpinCo, or the entities combined. The accounting policies of the Group have been consistently applied in preparing these combined and carve-out financial statements for the years presented.

2.7 Basis of consolidation

The combined and carve-out financial statements comprise the consolidated financial statements of entities forming part of the perimeter (mentioned in Note 1) and its subsidiaries, including special purpose entities as at 31 December 2023 and 31 December 2022. Control is achieved when an entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, an entity controls an investee if and only if the entity has:

2 BASIS OF PREPARATION OF COMBINED AND CARVE-OUT FINANCIAL STATEMENTS (continued)

2.7 Basis of consolidation (continued)

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When an entity has less than a majority of the voting or similar rights of an investee, an entity considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee,
- Rights arising from other contractual arrangements, and
- An entity's voting rights and potential voting rights.

An entity re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when an entity obtains control over the subsidiary and ceases when an entity loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date an entity gains control until the date an entity ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the entity and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of Agility SpinCo are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If an entity loses control over a subsidiary, it derecognises, the related assets (including goodwill), liabilities, non-controlling interest and other component of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value. The results of the subsidiaries acquired or disposed during the year are included in the combined and carve-out statement of comprehensive income from the date of acquisition or up to the date of disposal, as appropriate.

2.8 Functional and presentation currency

The combined and carve-out financial statements are presented in United States Dollar (USD) which is the presentation currency of Agility SpinCo. However, entities forming part of Agility SpinCo have different functional currencies and the USD is the presentation currency. All values are rounded to the nearest thousand (USD '000) except where otherwise stated.

3 MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Changes in accounting policies

The accounting policies used in the preparation of these combined and carve-out financial statements are consistent with those used in the previous financial year, except as mentioned below:

New and amended standards and interpretations
The nature and the impact of each amendment is described below:

Several other amendments and interpretations apply for the first time in the year 2023, but do not have an impact on the combined and carve-out financial statements of Agility SpinCo. Agility SpinCo has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Definition of Accounting Estimates - *Amendments to* IAS 8
The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no material impact on the combined and carve-out financial statements of Agility SpinCo.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.1 Changes in accounting policies (continued)

New and amended standards and interpretations (continued)

Disclosure of Accounting Policies - *Amendments to* IAS 1 and IFRS Practice Statement 2
The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on Agility SpinCo's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in Agility SpinCo's combined and carve-out financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction – *Amendments to* IAS 12
The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no material impact on the combined and carve-out financial statements of Agility SpinCo.

International Tax Reform—Pillar Two Model Rules – *Amendments to* IAS 12
The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the combined and carve-out financial statements of Agility SpinCo.

IFRS 17 Insurance Contracts
IFRS 17 Insurance Contracts is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them as well as to certain guarantees and financial instruments with discretionary participation features; a few scope exceptions will apply. The overall objective of IFRS 17 is to provide a comprehensive accounting model for insurance contracts that is more useful and consistent for insurers, covering all relevant accounting aspects. IFRS 17 is based on a general model, supplemented by:

• A specific adaptation for contracts with direct participation features (the variable fee approach)
• A simplified approach (the premium allocation approach) mainly for short-duration contracts

The new standard had no impact on the combined and carve-out financial statements of Agility SpinCo.

3.2 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of Agility SpinCo's combined and carve-out financial statements are disclosed below. Agility SpinCo intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback
In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.2 Standards issued but not yet effective (continued)

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback (continued)
The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the combined and carve-out financial statements of Agility SpinCo.

Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. Agility SpinCo is currently assessing the impact the amendments will have on current practices and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7
In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the combined and carve-out financial statements of Agility SpinCo.

General requirements for disclosure of sustainability-related financial information (IFRS S1) and Climate-related disclosures (IFRS S2) – 1 January 2024
In June 2023 the International Sustainability Standards Board (ISSB) issued its first two IFRS Sustainability Disclosure Standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. IFRS S1 includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across Agility SpinCo's value chain. IFRS S2 is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. The standard requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term.

Agility SpinCo is currently evaluating the impact of these amendments. Agility SpinCo will adopt these requirements when the amendments become effective.

3.3 Material accounting policies

Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value, and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in other operating expenses.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Business combinations and goodwill (continued)
When any of the entities forming part of Agility SpinCo acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9: Financial Instruments ("IFRS 9"), is measured at fair value with the changes in fair value recognised in the combined and carve-out statement of income in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in combined and carve-out statement of income.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, Agility SpinCo re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in combined and carve-out statement of income.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Agility SpinCo's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed in this circumstance is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Current versus non-current classification
Agility SpinCo presents assets and liabilities in combined and carve-out statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realised within twelve months after the reporting period, or
- Bank balances, cash and deposits unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Agility SpinCo classifies all other liabilities as non-current.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The initial cost of property, plant and equipment comprises their cost and any directly attributable costs of bringing an item of property, plant and equipment to its working condition and location. Expenditure incurred after the property, plant and equipment has been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the combined and carve-out statement of income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property, plant and equipment. Land is not depreciated.

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	5 to 30 years
Tools, machinery and equipment	2 to 10 years
Vehicles and ships	2 to 25 years
Furniture and office equipment	2 to 8 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair values less costs to sell and their value in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the combined and carve-out statement of income in the period the asset is derecognised. The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively if appropriate.

Leases
Agility SpinCo assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Agility SpinCo as a lessee
Agility SpinCo applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. Agility SpinCo recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets
Agility SpinCo recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and the lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land, buildings and improvements	2 to 44 years
Tools, machinery and equipment	2 to 8 years
Vehicles and ships	2 to 25 years
Furniture and office equipment	2 to 7 years

If the ownership of the leased asset is transferred to Agility SpinCo at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment in accordance with Agility SpinCo's impairment of non-financial assets policy.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Leases (continued)

ii. Lease liabilities

At the commencement date of the lease, Agility SpinCo recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentive receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by Agility SpinCo and payments of penalties for terminating the lease, if the lease term reflects Agility SpinCo exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, Agility SpinCo uses the incremental interest rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

iii. Short-term leases and leases of low-value assets

Agility SpinCo applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

A property interest that is held by Agility SpinCo under an operating lease may be classified and accounted for as an investment property when the property otherwise meets the definition of an investment property, evaluated property by property, and based on management's intention. The initial cost of a property interest held under a lease and classified as an investment property is determined at the lower of the fair value of the property and the present value of the minimum lease payments. An equivalent amount is recognised as a liability.

Agility SpinCo as a lessor

Leases in which Agility SpinCo does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental revenues arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the combined and carve-out statement of income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental revenues. Contingent rents are recognised as revenue in the period in which they are earned.

Projects in progress

Projects in progress are carried at cost less impairment, if any. Costs are those expenses incurred by Agility SpinCo that are directly attributable to the construction of assets. Once completed, the assets are transferred to either investment properties or to property, plant and equipment, depending on the management's intended use of the asset.

Investment properties

Investment properties comprise completed properties held to earn rentals or for capital appreciation or both. Property held under a lease is classified as investment property when the definition of an investment property is met. Investment properties are initially recorded at cost being the fair value of the consideration given and including acquisition charges associated with the investment property.

After initial recognition, the properties are re-measured to fair value annually on an individual basis with any gain or loss arising from a change in fair value being included in the combined and carve-out statement of income in the period in which it arises.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Investment properties (continued)
Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the combined and carve-out statement of income in the period of retirement or disposal. The amount of consideration to be included in the gain or loss arising from the derecognition of the investment property is determined in accordance with the requirements for the determining the transaction price in IFRS 15.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, Agility SpinCo accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

Agility SpinCo has classified certain assets held under long term operating leases as investment properties.

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised software development costs, are not capitalised and expenditure is reflected in the combined and carve-out statement of income in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the combined and carve-out statement of income.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually or more frequently if events or change in circumstances indicate the carrying value may be impaired, either individually or at the cash generating unit level. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the combined statement of income when the asset is derecognised.

Build-own-transfer ("BOT") projects and concessions
BOT projects and concessions are amortised over the duration of the individual contracts in the range of 4 to 20 years.

Customer lists
Customer lists are amortised over a period of 15 years, which is determined to be the expected period of benefit from holding these lists.

Brand
The brand is amortised over a period of 15 years, which is determined to be the expected period of benefit from holding it.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Intangible assets (continued)
Goodwill
Accounting policy relating to goodwill is documented in the accounting policy "Business combinations and goodwill".

Investment in associates and joint ventures
An associate is an entity over which Agility SpinCo has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. Agility SpinCo's investments in its associate and joint venture are accounted for using the equity method.

Equity method
Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in Agility SpinCo's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The combined and carve-out statement of income reflects Agility SpinCo's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of Agility SpinCo's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, Agility SpinCo recognises its share of any changes, when applicable, in the combined and carve-out statement of changes in equity. Unrealised gains and losses resulting from transactions between Agility SpinCo and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of Agility SpinCo's share of profit or loss of an associate and a joint venture is shown on the face of the combined and carve-out statement of income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as Agility SpinCo. When necessary, adjustments are made to bring the accounting policies in line with those followed by Agility SpinCo. After application of the equity method, Agility SpinCo determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, Agility SpinCo determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, Agility SpinCo calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, then recognises the loss in the combined and carve-out statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, Agility SpinCo measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in combined and carve-out statement of income.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Date of recognition
Financial assets and liabilities are initially recognised on the trade date, i.e., the date that the entities forming part of Agility SpinCo becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Financial instruments (continued)

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value and, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from this amount. Trade receivables are measured at the transaction price.

Measurement categories of financial assets and liabilities

Agility SpinCo classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVTPL)

Financial liabilities, other than commitments and guarantees, are measured at amortised cost or at FVTPL when they are held for trading and derivative instruments, or when the fair value designation is applied.

i) Financial assets

Agility SpinCo determines the classification of financial assets based on the business model it uses to manage the financial assets and the contractual cash flow characteristics of the financial assets.

Business model assessment

Agility SpinCo determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. That is, whether Agility SpinCo's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'Sell' business model and measured at FVTPL. Agility SpinCo's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed;
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of Agility SpinCo's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from Agility SpinCo's original expectations, Agility SpinCo does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI test)

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, Agility SpinCo assesses whether the financial instruments' cash flows represent Solely Payments of Principal and Interest (the 'SPPI test').

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition that may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, Agility SpinCo applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Financial instruments (continued)

i) Financial assets (continued)

Assessment of whether contractual cash flows are solely payments of principal and interest (SPPI test) (continued)
In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Agility SpinCo reclassifies when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the year.

Agility SpinCo classifies its financial assets upon initial recognition into the following categories:

Debt instruments at amortised cost
A financial asset which is a debt instrument, is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Bank balances and short-term deposits and trade receivables and certain other assets are classified as debt instruments at amortised cost.

Debt instruments at amortised cost are subsequently measured at amortised cost using the effective interest method adjusted for impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in the combined and carve-out statement of income. Any gain or loss on derecognition is recognised in the combined and carve-out statement of income.

Debt instruments at FVTPL
Debt instruments at FVTPL includes debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

Loan to related parties is classified as debt instrument at FVTPL.

FVTPL debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value along with interest income and foreign exchange gains and losses recognised in combined and carve-out statement of income.

Equity instruments at FVOCI
Upon initial recognition, Agility SpinCo may elect to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 *Financial Instruments: Presentation* and are not held for trading. Such classification is determined on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Changes in fair values including foreign exchange component are recognised in other comprehensive income and presented in the cumulative changes in fair values as part of equity. Cumulative gains and losses previously recognised in other comprehensive income are transferred to retained earnings on derecognition and are not recognised in the combined and carve-out statement of income. Dividends are recognised in statement of income when the right of the payment has been established, except when Agility SpinCo benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity investments at FVOCI are not subject to impairment assessment.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Financial instruments (continued)

i) Financial assets (continued)

Equity instruments at FVTPL

Agility SpinCo classifies equity instruments at fair value through profit and loss when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of short-term profit taking. Held-for-trading assets are recorded and measured in the statement of financial position at fair value. In addition, on initial recognition, Agility SpinCo may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Changes in fair values and dividends are recorded in combined and carve-out statement of income when the right to payment has been established.

Included in this classification are certain equity securities and funds.

Agility SpinCo has determined the classification and measurement of its financial assets as follows:

a. Financial assets at fair value through profit or loss

Agility SpinCo's financial assets at fair value through profit or loss consists of certain investment in funds, convertible loans, quoted and unquoted equity securities.

b. Loan to related parties

Loan to related parties is a non-derivative financial assets with fixed or determinable payments which is not quoted in an active market. After initial measurement, such financial assets are subsequently measured at FVTPL.

c. Trade receivables

Trade receivables are measured at transaction price, as disclosed in Agility SpinCo's accounting policy regarding revenue from contracts with customers, less expected credit losses and are stated at amortised cost.

Trade receivables that do not contain a significant financing component or for which Agility SpinCo has applied the practical expedient are initially measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, at the transaction price.

d. Bank balances, cash and deposits

Bank balances, cash and deposits in the combined and carve-out statement of financial position comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less. These are stated at amortised cost using effective interest rate.

For the purpose of the combined and carve-out statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above.

e. Other current assets

Other current assets are carried at their carrying value, less impairment, if any.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Financial instruments (continued)

i) Financial assets (continued)

Reclassification of financial assets

Agility SpinCo does not reclassify its financial assets subsequent to their initial recognition except under circumstances in which Agility SpinCo changes the business model for managing financial assets.

Derivative financial instruments and hedge accounting

Agility SpinCo uses derivative financial instruments such as forward currency contracts, interest rate swaps and forward rate agreements to hedge its foreign currency risks and interest rate risks respectively. Derivatives are recorded at fair value. Derivatives with positive fair values (unrealised gains) are included in other assets and derivatives with negative fair values (unrealised losses) are included in other liabilities in the combined and carve-out statement of financial position. For hedges, which do not qualify for hedge accounting and for held for trading derivatives, any gains or losses arising from changes in the fair value of the derivative are taken directly to the combined and carve-out statement of income.

An embedded derivative is a component of a hybrid instrument that also includes a non-derivative host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract. A derivative that is attached to a financial instrument, but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument. A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in combined and carve-out statement of income. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

At inception of the hedge relationship, Agility SpinCo formally documents the relationship between the hedged item and the hedging instrument, including the nature of the risk, the objective and strategy for undertaking the hedge and the method that will be used to assess the effectiveness of the hedging relationship. Also, at the inception of the hedge relationship, a formal assessment is undertaken to ensure the hedging instrument is expected to be highly effective in offsetting the designated risk in the hedged item. Hedges are formally assessed each quarter. A hedge is regarded as highly effective if the changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated are expected to be offset in a range of 80% to 125%. For situations where that hedged item is a forecast transaction, Agility SpinCo assesses whether the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect the combined and carve-out statement of income.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment (except for foreign currency risk); or
- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment; or
- hedges of a net investment in a foreign operation.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for, as described below:

a) Fair value hedges

The change in the fair value of a hedging derivative is recognised in the combined and carve-out statement of income. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in the combined and carve-out statement of income.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Financial instruments (continued)

i) Financial assets (continued)

Derivative financial instruments and hedge accounting (continued)

a) Fair value hedges (continued)

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through the combined and carve-out statement of income over the remaining term to maturity. Amortisation may begin as soon as an adjustment exists and shall end no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the combined and carve-out statement of income.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the combined and carve-out statement of income.

For a hedging instrument that hedges an equity instrument for which Agility SpinCo has elected to present changes in fair value in other comprehensive income, the changes in the fair value of the hedging instrument are recognised in other comprehensive income.

b) Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income, while any ineffective portion is recognised immediately in the combined and carve-out statement of income. Amounts taken to other comprehensive income are transferred to combined and carve-out statement of income when the hedged transaction affects the combined and carve-out statement of income, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts taken to other comprehensive income are transferred to the initial carrying amount of the non-financial asset or liability. If the forecast transaction or firm commitment is no longer expected to occur, amounts previously recognised in other comprehensive income are transferred to the combined and carve-out statement of income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction or firm commitment occurs.

c) Hedges of a net investment

Hedges of a net investment in a foreign operation, including a hedge of a monetary item that is accounted for as part of the net investment, are accounted for in a way similar to cash flow hedges. Gains or losses on the hedging instrument relating to the effective portion of the hedge are recognised in other comprehensive income while any gains or losses relating to the ineffective portion are recognised in the combined and carve-out statement of income. On disposal of the foreign operation, the cumulative value of any such gains or losses recognised in other comprehensive income is transferred to combined and carve-out statement of income.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- Agility SpinCo has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) Agility SpinCo has transferred substantially all the risks and rewards of the asset, or (b) Agility SpinCo has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Financial instruments (continued)

i) Financial assets (continued)

Derecognition of financial assets (continued)

When Agility SpinCo has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, Agility SpinCo continues to recognise the transferred asset to the extent of its continuing involvement. In that case, Agility SpinCo also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that Agility SpinCo has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that Agility SpinCo could be required to repay.

ii) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Agility SpinCo's financial liabilities include trade and other payables, interest bearing loans, lease liabilities and derivative financial instruments.

Agility SpinCo has determined the classification and measurement of its financial liabilities as follows:

a. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by Agility SpinCo that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the combined and carve-out statement of income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, only if the criteria in IFRS 9 are satisfied.

b. Interest bearing loans

After initial recognition, interest bearing loans are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the combined and carve-out statement of income.

Installments due within one year are shown as current liabilities. Interest is charged as an expense as it accrues in the combined and carve-out statement of income, with unpaid amounts included in accrued expenses under 'trade and other payables'.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Financial instruments (continued)

ii) Financial liabilities (continued)

c. Trade and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the combined and carve-out statement of income.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the combined and carve-out statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

Agility SpinCo recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that Agility SpinCo expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, Agility SpinCo applies a simplified approach in calculating ECLs. Therefore, Agility SpinCo does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Entities forming part of Agility SpinCo have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Debt instruments and financial assets at FVTPL are not subject to ECL.

Agility SpinCo considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, Agility SpinCo may also consider a financial asset to be in default when internal or external information indicates that Agility SpinCo is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by Agility SpinCo. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Fair values

Agility SpinCo measures certain financial instruments (including derivatives) and non-financial assets such as investment properties, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to Agility SpinCo.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Fair values (continued)
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Agility SpinCo uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the combined and carve-out financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the combined and carve-out financial statements on a recurring basis, Agility SpinCo determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Agility SpinCo's management determines the policies and procedures for both recurring fair value measurement, such as investment properties and unquoted financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for the valuation of Agility SpinCo's investment properties. Involvement of external valuers is decided upon annually by the management. Selection criteria include regulatory requirements, market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with Agility SpinCo's external valuers, which valuation techniques and inputs to use for each case.

For unquoted financial instruments fair value is determined by reference to the market value of a similar investment, discounted cash flows, other appropriate valuation models or brokers' quotes.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per Agility SpinCo's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with Agility SpinCo's external valuers, also compares changes in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, Agility SpinCo has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those expenses incurred in bringing each product to its present location and condition and are determined on the weighted average basis. Net realisable value is based on estimated selling price in the ordinary course of the business, less any further costs expected to be incurred on completion and disposal.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Impairment of non-financial assets

The carrying amounts of Agility SpinCo's non-financial assets, other than, investment property and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite lives or that are not yet available for use, the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of Agility SpinCo's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of Agility SpinCo are assigned to those units or groups of units.

Each unit or group of units to which the goodwill is so allocated:

- represents the lowest level within Agility SpinCo at which the goodwill is monitored for internal management purposes; and
- is not larger than a segment based on Agility SpinCo's segment information reporting format determined in accordance with *IFRS 8: Operating Segment*.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognised in the combined and carve-out statement of income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

Provisions

A provision is recognised when, and only when Agility SpinCo has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be incurred to settle the obligation.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Employees' end of service benefits
Agility SpinCo has a number of defined benefit pension and contribution plans that cover a substantial number of employees across multiple countries. Retirement benefits are provided based on compensation as defined by local labour laws or employee contracts.

In respect of defined contribution plans, the contributions made are charged to the combined and carve-out statement of income.

For the defined benefit plans, Agility SpinCo's policy is to fund some of these plans in accordance with local practice and contributions are made in accordance with independent actuarial valuations. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling excluding net interest and the return on plan assets (excluding net interest), are recognised immediately in the combined and carve-out statement of financial position with a corresponding debit or credit to 'other reserve' through other comprehensive income in the period in which they occur. Re-measurements are not reclassified to combined and carve-out statement of profit or loss in subsequent periods.

Past service costs are recognised in combined and carve-out statement of profit or loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that Agility SpinCo recognises restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. Agility SpinCo recognises the following changes in the net defined benefit obligation under 'salaries and employee benefits' in combined and carve-out statement of profit or loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements
- Net interest expense or income

Revenue from contracts with customers
Agility SpinCo is primarily engaged in providing the following services:

Logistics revenue
Logistics revenue primarily comprises inventory management, order fulfilment, transportation and warehousing services. Logistics revenues are recognised at the point in time when the services are rendered to the customer except for transportation (including chartering of vessels) and warehousing services that are recognised over time, using an input method to measure progress towards complete satisfaction of the service.

Ground handling and airport services
Revenue from ground handling and airport services which includes revenue from ramp, passengers, into-plane fuelling, and other aviation related services is recognized at the time the service is provided, in accordance with the terms of the related contract.

Rental services
Rental income arising on investment properties is recognised over time, using an input method to measure progress towards complete satisfaction of the service.

Interest income
Interest income is recognised as interest accrues using the effective interest method ("EIR") that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Dividend income
Dividend income is recognised when the right to receive payment is established.

The significant accounting judgements related to the revenue from contracts with customers is detailed in Note 3.4.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.3 Material accounting policies (continued)

Government grants
Government grants are recognised where there is reasonable assurance that the grant will be received, and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When entities forming part of Agility SpinCo receive grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

Taxation
Current tax
Certain of the entities forming part of Agility SpinCo are subject to taxes on income in various foreign jurisdictions. Taxes payable are provided on taxable profits at the current rate in accordance with the fiscal regulations in the country where the subsidiary is located.

Deferred tax
Deferred tax assets are recognised for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent it is probable that future taxable profits will be available to utilise this. Deferred tax liabilities are recognised for taxable temporary differences. Deferred tax assets and liabilities are measured using tax rates and applicable legislation at the reporting date.

Subsequent events
IAS 10 — '*Events After the Reporting Period*', requires management to evaluate subsequent events to determine whether it needs to recognize or disclose them. While subsequent events affecting the combined and carve-out financial statements are a subset of the events the Group previously identified, the Group's conclusions regarding these events are not re-evaluated. Management has considered the diversity in practice among carve-out entities about whether to recognize or disclose subsequent events that occur after the Group issues its consolidated financial statements.

Management has analogized to the reissuance guidance and has only disclosed such events that are part of the Group's consolidated financial statement, since the combined and carve-out financial statements are derived from previously issued consolidated financial statements of the Group. Management has adopted extraction approach in evaluating the subsequent events. Under this approach, the combined and carved-out reporting entity is considered a reflection of the larger reporting entity (the Group). The financial information of the carved-out reporting entity has been included in the consolidated financial statements of the larger reporting entity and, therefore, approved and issued. As a consequence, the combined and carve-out financial statements prepared under this approach do not include any information about events after the date of issue of the consolidated financial statements of the Group.

3.4 Significant Accounting Judgements, Estimates and Assumptions

The preparation of Agility SpinCo's combined and carve-out financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the reporting date. Management is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The judgments, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. However, the resulting accounting estimates will, by definition, seldom equal the related actual results. Uncertainty about these assumptions and estimates have a significant risk of causing a material adjustment to the carrying amount of assets and/or liabilities in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future period affected.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Significant Accounting Judgements, Estimates and Assumptions (continued)

Judgements
In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the combined and carve-out financial statements:

Revenue from contracts with customers
Agility SpinCo applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a. Determination of transaction price
The transaction price is the amount of consideration that is enforceable and to which Agility SpinCo expects to be entitled in exchange for services promised to the customer. Agility SpinCo determines the transaction price by considering the terms of the contract and business practices that are customary.

b. Determining the timing of satisfaction of services

i. Logistics revenue
Agility SpinCo concluded that revenue from logistics services (excluding transportation (including chartering of vessels) and warehousing services) to its customers is to be recognised at the point in time when the services are rendered to the customer.

ii. Rental and warehousing services
Agility SpinCo concluded that revenue from warehousing services and rental services to its customers is to be recognised over time because the customer simultaneously receives and consumes the benefits provided by Agility SpinCo. The fact that another entity would not need to re-perform such services that Agility SpinCo has provided to date demonstrates that the customer simultaneously receives and consumes the benefits of Agility SpinCo's performance as it performs. Agility SpinCo has a right to payment for the performance completed to date as, under each contractual agreement with a customer, Agility SpinCo is entitled to an amount that at least compensates Agility SpinCo for its performance completed to date in the event that the customer terminates the contract for reasons other than Agility SpinCo's failure to perform as promised. Furthermore, Agility SpinCo's performance does not create an asset with an alternative use to the entity.

Agility SpinCo has determined to utilize the input method for measuring progress of such services because there is a direct relationship between Agility SpinCo's effort and the transfer of service to the customer. In respect to warehousing services and rental services, Agility SpinCo recognises revenue on a straight-line basis as Agility SpinCo's efforts being evenly expended throughout the performance period.

iii. Ground handling and airport services
Agility SpinCo concluded that revenue from Ground handling and airport services to its customers is to be recognised at the point in time when the services are rendered to the customer.

c. Consideration of significant financing component in a contract
Agility SpinCo does not expect to have any contracts where the period between the transfer of promised services to the customer and payment by the customer exceeds one year. As a consequence, Agility SpinCo does not adjust any of the transaction prices for the time value of money.

Principal versus agent considerations
Agility SpinCo enters into contracts with its customers for supply of good and services. Agility SpinCo determined that it controls the goods or services before they are transferred to customers, and it has the ability to direct the use of goods or obtain benefits from the goods. The following factors indicate that Agility SpinCo controls the goods or services before they are being transferred to customers. Therefore, Agility SpinCo determined that it is a principal in all its revenue arrangements.

- Agility SpinCo is primarily responsible for fulfilling the promise to provide the specified goods or services.
- Agility SpinCo has inventory risk before the specified goods has been transferred to the customers.
- Agility SpinCo has discretion in establishing the price for the specified goods or services.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Significant Accounting Judgements, Estimates and Assumptions (continued)

Judgements (continued)

Classification of financial assets

Agility SpinCo determines the classification of financial assets based on the assessment of the business model within which the assets are held and assessment of whether the contractual terms of the financial asset are solely payments of principal and interest on the principal amount outstanding.

Determining the lease term of contracts with renewal and termination options – Agility SpinCo as lessee

Agility SpinCo determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Agility SpinCo has several lease contracts that include extension and termination options. Agility SpinCo applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination option. After the commencement date, Agility SpinCo reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Identification of non-lease components

In addition to containing a lease, Agility SpinCo's services arrangement that involves additional services, including personnel cost, maintenance, production related activities and other items. These are considered to be non-lease components and Agility SpinCo has decided to separate these from the lease components. Judgement is required to identify these. The consideration in the contract is then allocated between the lease and non-lease components on a relative stand-alone price basis. This requires Agility SpinCo to estimate stand-alone prices for each lease and non-lease component.

Operating lease commitments – Agility SpinCo as lessor

Agility SpinCo has entered into commercial property leases on its investment property portfolio. Agility SpinCo has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the present value of the minimum lease payments not amounting to substantially all of the fair value of the commercial property, that it retains substantially all the risks and rewards incidental to ownership of these properties and accounts for the contracts as operating leases.

Fair values of assets and liabilities acquired

The determination of the fair value of the assets, liabilities and contingent liabilities as a result of business combination requires significant judgement.

Allocation of expenses

For purposes of presenting the combined and carve-out financial statements, allocations were required to determine certain costs and administrative activities performed by the Parent Company, attributable to Agility SpinCo. Management has identified shared services which includes, executive management, finance, information technology, marketing, legal, and human resources. Assessing and identifying the relevant function of expenses that required to be attributed to Agility SpinCo requires reasonable degree of judgement.

Going concern

Management has made an assessment of Agility SpinCo's ability to continue as a going concern and is satisfied that Agility SpinCo has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon Agility SpinCo's ability to continue as a going concern. Therefore, the combined and carve-out financial statements have been prepared on the going concern basis.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Significant Accounting Judgements, Estimates and Assumptions (continued)

Judgements (continued)

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Assessment of contingencies and claims

Agility SpinCo is subject to claims and actions for which in some cases, no provisions have been recognized, based on the facts and circumstances relating to the particular cases, which are evaluated regularly in determining whether a provision relating to a specific litigation should be recognized or revised. Contingent assets and liabilities are not recognised in the combined and carve-out financial statements, but are disclosed unless the possibility of inflow or outflow respectively of resources embodying economic benefits is remote, which requires significant judgement. Accordingly, significant management judgement relating to provisions and contingent liabilities is required, since the outcome of litigation is difficult to predict.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of property, plant and equipment, right of use assets and intangible assets (including goodwill)

Agility SpinCo determines whether property, plant and equipment, right of use assets and intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the respective asset is allocated. Estimating the value in use requires Agility SpinCo to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Valuation of investment properties

Agility SpinCo carries its investment properties at fair value, with change in fair values being recognised in the combined and carve-out statement of income. Fair value is determined based on comparative analysis based on the assessment made by an independent real estate appraiser using values of actual deals transacted recently by other parties for properties in a similar location and condition, discounted cash flow and based on the knowledge and experience of the real estate appraiser.

Fair value measurements of financial instruments

When the fair values of financial assets and financial liabilities recorded in the combined and carve-out statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash Flow ("DCF") model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 31 for further disclosures.

Provision for expected credit losses of trade receivables

Agility SpinCo uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on Agility SpinCo's historical observed default rates. Agility SpinCo will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Significant Accounting Judgements, Estimates and Assumptions (continued)

Estimates and assumptions (continued)

Provision for expected credit losses of trade receivables (continued)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. Agility SpinCo's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on Agility SpinCo's trade receivables is disclosed in Note 3.3 and Note 30.

Valuation of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision is applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

Leases - Estimating the incremental borrowing rate

Agility SpinCo cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that Agility SpinCo would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what Agility SpinCo 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. Agility SpinCo estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the subsidiary's stand-alone credit rating).

Pension and other post-employment benefits

The cost of the defined benefit pension plan and other post-employment medical benefits and the present value of the pension obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in currencies consistent with the currencies of the post-employment benefit obligation with at least an 'AA' rating or above, as set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The underlying bonds are further reviewed for quality. Those having excessive credit spreads are excluded from the analysis of bonds on which the discount rate is based, on the basis that they do not represent high quality corporate bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Future salary increases and pension increases are based on expected future inflation rates for the respective countries.

Further details about defined benefit obligations are given in Note 19.

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on anticipated selling prices.

3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

3.4 Significant Accounting Judgements, Estimates and Assumptions (continued)

Estimates and assumptions (continued)

Impairment of financial assets at amortised cost

Agility SpinCo assesses on a forward-looking basis the expected credit losses (ECL) associated with its debt instruments carried at amortised cost. For trade receivables and contract assets, Agility SpinCo applies a simplified approach in calculating ECL. Therefore, Agility SpinCo does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECL at each reporting date. Agility SpinCo has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Actual results may differ from these estimates.

Basis of allocation of expenses

The allocation methodologies have been described within the notes to the combined and carve-out financial statements where appropriate, and management believes that the assumptions and estimates used in preparation of the combined and carve-out financial statements are reasonable. Management believes that the allocation methodologies are reasonable; however, expenses allocated to Agility SpinCo are not necessarily indicative of the expenses that would have been incurred on a stand-alone basis nor are they indicative of costs that may be incurred in the future. Actual results could differ from these estimates. It is not practical to estimate the costs that would have been incurred by Agility SpinCo if it had operated on a stand-alone basis.

4 GROUP INFORMATION

The principal entities forming part of Agility SpinCo are listed in Note 1 of these combined and carve-out financial statements.

Material partly-owned entity in Agility SpinCo

Tristar is the only entity with non-controlling interests that is material to Agility SpinCo. Summarised financial information of Tristar is provided below. This information is based on amounts before inter-company eliminations.

	2023 ***USD 000's***	*2022* *USD 000's*
Summarised statement of income:		
Revenues	**1,096,295**	833,928
Profit for the year	**71,132**	68,741
Allocated to non-controlling interests	**(32,779)**	(27,362)
Summarised statement of financial position:		
Total assets	**1,609,917**	1,604,990
Total liabilities	**(846,005)**	(909,433)
Total equity	**763,912**	695,557
Accumulated balances of non-controlling interests	**424,046**	367,138
Summarised cash flow information:		
Operating	**197,141**	119,647
Investing	**(37,536)**	(184,922)
Financing	**(160,600)**	95,753
Net (decrease) increase in cash and cash equivalents	**(995)**	30,478

5 PROPERTY, PLANT AND EQUIPMENT

	Land, buildings and improvements USD 000's	***Tools, machinery and equipment USD 000's***	***Vehicles and ships USD 000's***	***Furniture and office equipment USD 000's***	***Total USD 000's***
Cost:					
As at 1 January 2023	**253,054**	**249,907**	**784,273**	**106,211**	**1,393,445**
Additions	**22,691**	**74,009**	**28,656**	**11,849**	**137,205**
Disposals	**(25,385)**	**-**	**(29,207)**	**(6,220)**	**(60,812)**
Exchange differences	**3,139**	**4,415**	**21,342**	**1,715**	**30,611**
As at 31 December 2023	**253,499**	**328,331**	**805,064**	**113,555**	**1,500,449**
Depreciation:					
As at 1 January 2023	**(73,126)**	**(96,640)**	**(253,885)**	**(67,199)**	**(490,850)**
Charge for the year	**(36,010)**	**(28,325)**	**(32,627)**	**(11,195)**	**(108,157)**
Disposals	**25,385**	**-**	**29,207**	**6,220**	**60,812**
Exchange differences	**(4,054)**	**(5,676)**	**(16,821)**	**(2,195)**	**(28,746)**
As at 31 December 2023	**(87,805)**	**(130,641)**	**(274,126)**	**(74,369)**	**(566,941)**
Net book value:					
As at 31 December 2023	**165,694**	**197,690**	**530,938**	**39,186**	**933,508**

	Land, buildings and improvements USD 000's	*Tools, machinery and equipment USD 000's*	*Vehicles and ships USD 000's*	*Furniture and office equipment USD 000's*	*Total USD 000's*
Cost:					
As at 1 January 2022	130,113	136,003	595,323	85,216	946,655
Additions	-	21,744	37,787	6,558	66,089
Transfer from projects in progress (Note 6)	2,187	7,170	7,170	277	16,804
Arising on business combination (Note 25)	126,271	122,116	123,072	14,214	385,673
Disposals	-	(16,421)	-	-	(16,421)
Exchange differences	(5,517)	(20,705)	20,921	(54)	(5,355)
As at 31 December 2022	253,054	249,907	784,273	106,211	1,393,445
Depreciation:					
As at 1 January 2022	(65,544)	(96,776)	(211,737)	(63,266)	(437,323)
Charge for the year	(12,756)	(20,279)	(37,567)	(3,974)	(74,576)
Disposals	-	3,527	-	-	3,527
Exchange differences	5,174	16,888	(4,581)	41	17,522
As at 31 December 2022	(73,126)	(96,640)	(253,885)	(67,199)	(490,850)
Net book value:					
As at 31 December 2022	179,928	153,267	530,388	39,012	902,595

6 PROJECTS IN PROGRESS

Projects in progress comprise the cost of assets acquired and under construction that are not available for use at the reporting date. These assets, once completed, will be used for Agility SpinCo's operations.

	2023 USD 000's	*2022 USD 000's*
As at 1 January	**61,080**	58,672
Additions	**9,234**	56,271
Transfer to property, plant and equipment (Note 5)	**-**	(16,804)
Transfer to investment properties (Note 8)	**(12,644)**	(38,000)
Exchange differences	**1,670**	941
As at 31 December	**59,340**	61,080

7 LEASES

Set out below, are the carrying amounts of Agility SpinCo's right-of-use assets, lease liabilities and the movements during the year:

	Right-of-use assets					
	Land, buildings and improvements USD 000's	***Tools, machinery and equipment USD 000's***	***Vehicles and ships USD 000's***	***Furniture and office equipment USD 000's***	***Total USD 000's***	***Lease liabilities USD 000's***
At 1 January 2023	**177,641**	**61,650**	**194,961**	**-**	**434,252**	**418,940**
Additions	**67,115**	**66,288**	**42,873**	**186**	**176,462**	**235,599**
Depreciation	**(61,942)**	**(31,212)**	**(37,929)**	**(62)**	**(131,145)**	**-**
Finance cost	**-**	**-**	**-**	**-**	**-**	**27,118**
Lease payments	**-**	**-**	**-**	**-**	**-**	**(155,090)**
Others (including exchange differences)	**(7,347)**	**2,498**	**141**	**(20)**	**(4,728)**	**6,032**
At 31 December 2023	**175,467**	**99,224**	**200,046**	**104**	**474,841**	**532,599**
Current portion						**135,496**
Non-current portion						**397,103**
						532,599

7 LEASES (continued)

	Right-of-use assets					
	Land, buildings and improvements USD 000's	*Tools, machinery and equipment USD 000's*	*Vehicles and ships USD 000's*	*Furniture and office equipment USD 000's*	*Total USD 000's*	*Lease liabilities USD 000's*
At 1 January 2022	49,291	-	173,178	-	222,469	202,321
Additions	11,489	849	36,065	9	48,412	48,412
Arising on business combination (Note 25)	115,163	71,443	12,546	-	199,152	240,052
Depreciation	(12,850)	(10,642)	(26,827)	(9)	(50,328)	-
Finance cost	-	-	-	-	-	13,745
Lease payments	-	-	-	-	-	(82,139)
Others (including exchange differences)	14,548	-	(1)	-	14,547	(3,451)
At 31 December 2022	177,641	61,650	194,961	-	434,252	418,940
Current portion						99,723
Non-current portion						319,217
						418,940

The lease liabilities reported in the combined and carve-out statement of financial position includes liabilities amounting to USD 7,007 thousand (2022: USD 12,131 thousand) related to service concession arrangements recognised as intangible assets.

Set out below, are the amounts recognised in the combined and carve-out statement of income related to leases:

	2023 USD 000's	*2022 USD 000's*
Depreciation expense of right-of-use assets	**(131,145)**	(50,328)
Finance cost on lease liabilities	**(27,118)**	(13,745)
Expense relating to short-term leases and low-value assets (included in other operating expenses)	**(25,641)**	(30,531)
Expense relating to short-term leases (included in cost of revenues)	**(3,197)**	(1,180)
	(187,101)	(95,784)

For the year ended 31 December 2023, Agility SpinCo has reported total cash outflows for leases of USD 155,090 thousand (2022: USD 82,139 thousand). Additionally, during the year, Agility SpinCo has reported non-cash additions to right-of-use assets and lease liabilities of USD 176,462 and USD 235,599 thousand respectively (2022: USD 48,412 thousand and USD 48,412 thousand respectively).

8 INVESTMENT PROPERTIES

	2023 ***USD 000's***	*2022* *USD 000's*
As at 1 January	**606,286**	493,770
Transfer from projects in progress (Note 6)	**12,644**	38,000
Additions	**58,188**	-
Change in fair value	**43,963**	73,475
Exchange differences	**4,264**	1,041
As at 31 December	**725,345**	606,286

The fair values of investment properties as at 31 December 2023 and 31 December 2022 were determined by independent valuers who have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. The fair values were determined based on a combination of market and income approaches as appropriate. In estimating the fair values of the properties, the highest and the best use of the properties is their current use. There has been no change to the valuation techniques during the year. The fair value of investment properties is measured under the Level 3 fair value hierarchy.

The significant assumptions used in the determination of fair value are market price (per sqm), exit rate and the discount rate.

Under market approach, fair value is estimated based on comparable transactions. The market approach is based upon the principle of substitution under which a potential buyer will not pay more for the property than it will cost to buy a comparable substitute property. The unit of comparison applied by Agility SpinCo is the price per square metre ('sqm').

Under the income approach, fair value is estimated by discounting the projected cash flows for the following five years and capitalizing the cash flow for the fifth year using an exit rate.

Significant increases (decreases) in estimated rental value and rent growth per annum in isolation would result in a significantly higher (lower) fair value of the properties. Significant increases (decreases) in the exit rate and discount rate in isolation would result in a significantly lower (higher) fair value.

9 INTANGIBLE ASSETS

	BOT Projects, license and concessions USD 000's	***Customer lists and contracts USD 000's***	***Brand USD 000's***	***Total USD 000's***
Cost:				
As at 1 January 2023	**136,362**	**217,497**	**70,672**	**424,531**
Arising on business combination	**2,000**	**-**	**-**	**2,000**
Exchange differences	**(2,981)**	**(2,032)**	**(89)**	**(5,102)**
As at 31 December 2023	**135,381**	**215,465**	**70,583**	**421,429**
Amortisation:				
As at 1 January 2023	**(114,775)**	**(5,341)**	**(1,213)**	**(121,329)**
Charge for the year	**(10,359)**	**(16,943)**	**(6,241)**	**(33,543)**
Exchange differences	**1,580**	**2,812**	**474**	**4,866**
As at 31 December 2023	**(123,554)**	**(19,472)**	**(6,980)**	**(150,006)**
Net book value:				
As at 31 December 2023	**11,827**	**195,993**	**63,603**	**271,423**

	BOT Projects, license and concessions USD 000's	*Customer lists and contracts USD 000's*	*Brand USD 000's*	*Total USD 000's*
Cost:				
As at 1 January 2022	137,573	-	-	137,573
Arising on business combination (Note 25)	-	217,482	70,672	288,154
Exchange differences	(1,211)	15	-	(1,196)
As at 31 December 2022	136,362	217,497	70,672	424,531
Amortisation:				
As at 1 January 2022	(100,621)	-	-	(100,621)
Charge for the year	(15,063)	(4,743)	(1,213)	(21,019)
Exchange differences	909	(598)	-	311
As at 31 December 2022	(114,775)	(5,341)	(1,213)	(121,329)
Net book value:				
As at 31 December 2022	21,587	212,156	69,459	303,202

Brand, customer lists, contracts and licenses were acquired through business combinations in previous years. BOT projects represent costs incurred on the construction of the car park and commercial complex of Kuwait International Airport and Sheikh Saa'd Terminal. Concessions represents fee incurred for providing Ground handling services in Cote d' Ivoire and Uganda.

10 GOODWILL

	2023 ***USD 000's***	*2022* *USD 000's*
Cost:		
As at 1 January	**835,191**	110,706
Arising on business combination (Note 25)	**18,315**	720,166
Exchange differences	**(1,672)**	4,319
As at 31 December	**851,834**	835,191

The goodwill acquired through business combinations has been allocated to the cash generating units as follows:

	Carrying amount of goodwill	
	2023 ***USD 000's***	*2022* *USD 000's*
Cash generating units:		
Aviation services	**743,616**	744,170
Fuel logistics	**39,409**	24,170
Others	**68,809**	66,851
Total	**851,834**	835,191

Management has performed an impairment exercise for the goodwill that is allocated to the primary activity of the cash generating units. The recoverable amounts of the cash generating units have been determined based on a value in use calculation using cash flow projections based on financial budgets approved by the management for 2024 and forecasts for the 4 year period thereafter based on growth rates for the sectors in which the cash generating units operate. As a result of the exercise, the management has concluded that no impairment provision is considered necessary in the combined and carve-out statement of income.

Aviation services
The goodwill in respect of aviation operations is allocated to three CGUs namely John Menzies Limited, National Aviation Services Kenya & National Aviation Services Uganda which consists of identifiable net assets including intangible assets of aviation operations. The recoverable amount as at 31 December 2023, has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by the management for 2024 and assuming an average annual growth rate of 5% - 10% (2022: 5% - 10%) for the four year period thereafter, which is in the range of the current short term growth rates for sectors in which the cash generating units operate. The average pre-tax discount rate applied to cash flow projections is 10% - 18% (2022: 15% - 19%) and cash flows beyond the 5 year period are extrapolated using a growth rate of 3% - 4% (2022: 3%-4%). As a result of the exercise, the management has concluded that no impairment provision is considered necessary in the combined and carve-out statement of income.

Fuel logistics
The goodwill in respect of fuel logistics operations is allocated to two CGUs namely Tristar Holding Limited and HG Storage International Limited which consists of identifiable net assets including intangible assets of fuel logistics operations. The recoverable amount as at 31 December 2023, has been determined based on a value in use calculation using cash flow projections based on financial budgets approved by the management for 2024 and assuming an average annual growth rate of 11.07% (2022: Nil) for the four year period thereafter, which is in the range of the current short term growth rates for sectors in which the cash generating units operate. The pre-tax discount rate applied to cash flow projections is 12.55% (2022: Nil) and cash flows beyond the 5 year period are extrapolated using a growth rate of 3% (2022: Nil). As a result of the exercise, the management has concluded that no impairment provision is considered necessary in the combined and carve-out statement of income.

10 GOODWILL (continued)

Key assumptions used in value in use calculations
The calculation of value in use is sensitive to the following assumptions:

- Revenue;
- Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA");
- Discount rates; and
- Growth rate used to extrapolate cash flows beyond the 5 year period.

Revenue – Revenue is projected based on the budgets and internal forecasts prepared by the management based on business plans. Internal factors include things like your sales history, product mix and marketing strategy. Management used existing data and metrics to predict your business's future revenue. In the revenue estimation processes, management also uses historical performance data, predictive modeling, and qualitative insights. Customer behavior, seasonality, conversion rates, churn rates, and other factors may affect revenue projections

Earnings Before Interest, Tax, Depreciation and Amortisation ("EBITDA) – EBITDA is projected based on the budgets and internal forecasts prepared by the management based on business plans.

Discount rates - Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of Agility SpinCo and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the investors. The cost of debt is based on the interest-bearing borrowings Agility SpinCo is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate – Growth rates are estimated based on industry sectors in which the cash generating units operate, growth rates specific to the country and sales and marketing data available. Management recognises that the speed of technological change and the possibility of new entrants can have a significant impact on growth rate assumptions.

Climate-related matters - Agility SpinCo constantly monitors climate-related risks, including physical risks and transition risks, when measuring the recoverable amount. While Agility SpinCo does not believe its operations are currently significantly exposed to physical risk, the value-in-use may be impacted in several different ways by transition risk, such as climate-related legislation, climate-related regulations and changes in demand for the Agility SpinCo's products.

Sensitivity to changes in assumptions
With regard to the assessment of value in use of the cash generating units, the management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the CGUs to materially exceed its recoverable amount.

11 INVESTMENT IN ASSOCIATES AND JOINT VENTURES

The movement in carrying value of investment in associates and joint ventures during the year is as follows:

	2023 ***USD 000's***	*2022* *USD 000's*
As at 1 January	**438,742**	335,453
Additions to investment in associates	**14,961**	-
Share of results	**20,140**	(6,989)
Share of other comprehensive income	**(1,044)**	5,072
Disposal	**(2,429)**	(7,103)
Arising on business combination (Note 25)	-	127,363
Dividends	**(15,175)**	(3,978)
Foreign currency translation adjustments	**1,552**	(11,076)
As at 31 December	**456,747**	438,742

11 INVESTMENT IN ASSOCIATES AND JOINT VENTURES (continued)

Agility SpinCo determined that Gulf Warehousing Company Q.P.S.C. ("GWC"), National Real Estate Company K.P.S.C. ("NREC"), Trychem FZCO and Sea-Tank 510 NV are the material associates of Agility SpinCo and the following table provides summarised financial information of these entities:

	GWC		***NREC***		***Joint ventures***		***Trychem FZCO***		***Sea-Tank 510 NV***	
	2023	*2022*	***2023***	*2022*	***2023***	*2022*	***2023***	*2022*	***2023***	*2022*
	USD '000s	*USD '000s*	***USD '000s***	*USD 000's*	***USD '000s***	*USD 000's*	***USD '000s***	*USD 000's*	***USD '000s***	*USD 000's*
Summarised statement of financial position:										
Current assets	**260,778**	267,976	**72,381**	101,515	**115,156**	147,924	**61,677**	52,862	**28,558**	17,235
Non-current assets	**1,166,098**	1,022,988	**1,787,643**	1,537,446	**1,381,858**	1,326,953	**27,649**	6,961	**157,420**	160,941
Current liabilities	**(289,227)**	(270,110)	**(164,502)**	(168,711)	**(85,322)**	(82,825)	**(43,148)**	(34,711)	**(3,469)**	(10,548)
Non-current liabilities	**(488,339)**	(419,512)	**(433,829)**	(426,289)	**(1,371,043)**	(1,212,426)	**(5,467)**	(467)	**(43,358)**	(41,053)
Equity	**649,310**	601,342	**1,261,693**	1,043,961	**40,649**	179,626	**40,711**	24,645	**139,151**	126,575
Proportion of Agility SpinCo's ownership	**20.57%**	20.84%	**20%**	20%			**25 %**	25 %	**49%**	49%
Group's share in the equity	**133,534**	125,320	**58,518**	69,903	**16,941**	29,128	**10,178**	6,161	**68,184**	62,022
Goodwill	**67,227**	67,227	-	-	-	-	-	-	-	-
Carrying value of investments	**200,761**	192,547	**58,518**	69,903	**16,941**	29,128	**10,178**	6,161	**68,184**	62,022
Summarised statement of income:										
Revenue	**414,065**	421,988	**31,822**	39,781	**15,192**	6,017	**172,552**	162,563	**48,565**	45,215
Profit (loss)	**60,434**	69,246	**(4,228)**	38,771	**(58,051)**	(9,732)	**4,720**	7,460	**15,917**	7,494
Contingent liabilities	**15,420**	11,836	**1,386,401**	37,156	-	-	**2,300**	2,300	-	-

Other associates of Agility SpinCo amounts to USD 102,165 thousand (31 December 2022: USD 78,981 thousand).

As at 31 December 2023, the fair market value of Agility SpinCo's interest in GWC, which is listed on the Qatar Stock Exchange, is USD 103,638 thousand (2022: USD 135,593 thousand) and NREC, which is listed on Boursa Kuwait is USD 85,266 thousand (2022: USD 128,599 thousand).

12 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 USD 000's	*2022 USD 000's*
Quoted equity securities	**4,472**	12,687
Investment in funds	**3,723**	5,366
	8,195	18,053

13 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023 USD 000's	*2022 USD 000's*
Quoted equity securities	**3,396,199**	3,031,427
Treasury bills	**19,361**	20,839
Unquoted equity securities	**89,305**	156,616
	3,504,865	3,208,882

Quoted equity securities include investment in a listed entity in Europe having a carrying value of USD 3,395,658 thousand (2022: USD 3,030,320 thousand), of which, to the extent of securities having a carrying value of USD 2,462,616 thousand (31 December 2022: USD Nil), the Group has entered into a funded equity collar arrangement ("collars") during the year, in order to hedge the fair value movements in these securities. The collars have been designated as a fair value hedge and accordingly the fair value gain on the collars during the year, amounting to USD 179,677 thousand (31 December 2022: USD Nil) has been recognized in the combined and carve-out statement of other comprehensive income. The proceeds received from the collars amounting to USD 2,424,061 thousand has been classified as interest bearing loans (Note 20).

14 INVENTORIES

	2023 USD 000's	*2022 USD 000's*
Goods for resale	**191,177**	147,765
Provision for obsolete and slow-moving inventories	**(1,124)**	(477)
	190,053	147,288

Inventories mainly include items held in stock for delivery to logistics clients as part of logistics supply contracts.

15 TRADE RECEIVABLES

	2023 USD 000's	*2022 USD 000's*
Gross trade receivables	**670,909**	658,025
Allowance for expected credit losses	**(84,897)**	(72,126)
	586,012	585,899

Movement in the allowance for expected credit losses of trade receivables is as follows:

	2023 USD 000's	*2022 USD 000's*
As at 1 January	**72,126**	75,034
Expected credit losses for the year	**7,250**	10,309
Release of provision no longer required	**-**	(17,707)
Others (including exchange differences)	**5,521**	4,490
As at 31 December	**84,897**	72,126

16 OTHER CURRENT ASSETS

	2023 ***USD 000's***	*2022* *USD 000's*
Prepaid expenses	**85,825**	89,424
Prepaid interest (Note 20)	**79,045**	-
Advances to suppliers	**52,854**	47,885
Deposits	**28,451**	20,682
Jobs in progress	**10,174**	19,701
Other claims receivable	**10,771**	12,147
Staff receivables	**2,493**	1,985
Others	**40,598**	47,520
	310,211	239,344

17 BANK BALANCES, CASH AND DEPOSITS

	2023 ***USD 000's***	*2022* *USD 000's*
Cash at banks and on hand	**549,391**	363,195
Short term deposits	**15,251**	20,567
	564,642	383,762

Short term deposits are placed for varying periods, depending on the immediate cash requirements of the entities included in Agility SpinCo and earn interest at the respective short term deposit rates.

18 EQUITY

Share capital

	2023 ***USD 000's***	*2022* *USD 000's*
Share capital	**769,964**	2,094,113

18 EQUITY (continued)

Share capital (continued)
In accordance with the principles of combination (Note 2) the share capital reported in the combined and carve-out financial statements represents the sum of share capital of the combined entities as detailed below:

	2023 USD 000's	*2022 USD 000's*
Agility GIL BV *	**376,749**	1,700,898
Agility Tristar Holding Limited	**332,050**	332,050
Ostram Holdings Limited	**24,969**	24,969
Agility DGS Logistics Services Co KSCC	**16,522**	16,522
Agility DistriParks FZE	**9,774**	9,774
Agility Alternative Energy Solutions Co KSCC	**3,304**	3,304
PWC Aviation Services Co KSCC	**3,296**	3,296
PWC Technology for Computers Co WLL	**1,652**	1,652
Catering Logistics for General Trading and Contracting Co WLL	**915**	915
Elaf National for General Trading and Contracting Co WLL	**331**	331
Modern Limited	**198**	198
Shipa Delivery Services LLC	**82**	82
Shipa Freight Solution LLC	**22**	22
Shipa E commerce LLC	**22**	22
Agility E-Services Private Ltd	**14**	14
Agility Strategies Holding Limited	**10**	10
Menzies Holding Limited	**10**	10
Agility Venture Capital Holdings Limited	**10**	10
Horizon International Holdings Limited	**10**	10
Horizon Participation Holding I Limited	**10**	10
Shipa for Shipping Co. SPC	**5**	5
Agility Logistics Park SPC	**3**	3
Homoola Trucks for Communication and Information Technology SPC	**3**	3
Shipa for Sending, receiving, distributing mailings, postal parcels and courier letter by air Co. WLL	**3**	3
	769,964	2,094,113

* During the year, Agility GIL BV effected a capital redemption and distributed the reduction amount of EUR 1,193,520 thousand (USD 1,324,149 thousand) to the Parent company.

Other contributions
The movement of other contributions is as follows:

	Parent investment USD 000's	*Hedging reserve USD 000's*	*Investment revaluation reserve USD 000's*	*Other reserves USD 000's*	*Total contributions USD 000's*
As at 1 January 2023	**3,440,067**	**7,327**	**(1,959,271)**	**67,716**	**1,555,839**
Profit for the year	**50,432**	-	-	-	**50,432**
Other comprehensive income	**10,125**	**177,338**	**269,855**	**2,089**	**459,407**
Total comprehensive income (loss) for the year	**60,557**	**177,338**	**269,855**	**2,089**	**509,839**
Net movement in Parent Company investment *	**1,203,701**	-	-	-	**1,203,701**
Dividends to Parent Company **	**(1,919,672)**	-	-	-	**(1,919,672)**
Acquisition of additional interest in subsidiaries	**(11,152)**	-	-	-	**(11,152)**
As at 31 December 2023	**2,773,501**	**184,665**	**(1,689,416)**	**69,805**	**1,338,555**

18 EQUITY (continued)

Other contributions (continued)

* The net movement in the Parent Company investment for the year ended 31 December 2023 primarily includes conversion of loans to equity contribution to the extent of USD 933,674 thousand and USD 583,478 thousand on 1 January 2023 and 1 July 2023 respectively. Further 'Parent Company investment' amounting to USD 492,417 thousand has been settled against an amount due from the Parent Company during the year.

** Includes distribution of dividend by one of the entities forming part of the carve-out perimeter, Agility GIL BV, to its shareholder i.e. the Parent Company, amounting to USD 1,903,404 thousand.

	Parent investment USD 000's	*Hedging reserve USD 000's*	*Investment revaluation reserve USD 000's*	*Other reserves USD 000's*	*Total contributions USD 000's*
As at 1 January 2022	3,257,787	(856)	(414,228)	89,759	2,932,462
Profit for the year	62,454	-	-	-	62,454
Other comprehensive (loss) income	(8,633)	8,183	(1,558,415)	(22,043)	(1,580,908)
Total comprehensive income (loss) for the year	53,821	8,183	(1,558,415)	(22,043)	(1,518,454)
Net movement in Parent Company investment	164,375	-	13,372	-	177,747
Dividends to Parent Company	(35,916)	-	-	-	(35,916)
As at 31 December 2022	3,440,067	7,327	(1,959,271)	67,716	1,555,839

19 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS

	2023 USD 000's	*2022 USD 000's*
Defined benefit plans	**262**	14,212
Others	**70,867**	39,375
As at 31 December	**71,129**	53,587

The following table summarises the movement in the provision for employees' end of service benefits recognised in the combined and carve-out statement of financial position:

	2023 USD 000's	*2022 USD 000's*
As at 1 January	**53,587**	34,776
Provided during the year	**41,763**	19,562
Paid during the year	**(19,522)**	(11,610)
Actuarial loss in respect of defined benefit plans	**690**	22,043
Arising on business combination	-	(1,069)
Others (including exchange differences)	**(5,389)**	(10,115)
As at 31 December	**71,129**	53,587

19 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS (continued)

Agility SpinCo assumed responsibility for defined benefit plans for the employees of the entities acquired during the year. The plans are governed by the employment laws of the respective countries. The principal defined benefit pension scheme is the Menzies pension fund in the UK. The fund was closed to future accrual in March 2017. The fund valuation were assessed in accordance with independent actuarial advice.

Changes in defined benefit obligation and fair value of plan assets relating to the Menzies pension fund are as follows:

		Pension cost charged to combined and carve-out statement of income					***Re-measurement gain (loss) recognised in other comprehensive income***							
	1 January 2023 USD 000's	***Service cost USD 000's***	***Net interest USD 000's***	***Past service (cost)/benefit USD 000's***	***Sub-total USD 000's***	***Benefits paid USD 000's***	***Return on plan assets* USD 000's***	***Actuarial changes on demographic assumptions USD 000's***	***Actuarial changes on financial assumptions USD 000's***	***Experience adjustments USD 000's***	***Sub-total USD 000's***	***Contributions by employer USD 000's***	***Others (including exchange differences) USD 000's***	***31 December 2023 USD 000's***
Defined benefit obligation	**(293,313)**	-	**(14,523)**	**(892)**	**(15,415)**	**16,052**	-	**14,141**	**(10,701)**	**(2,548)**	**892**	-	**(16,890)**	**(308,674)**
Fair value of plan assets	**279,101**	-	**14,141**	-	**14,141**	**(16,052)**	**(1,582)**	-	-	-	**(1,582)**	**16,816**	**15,988**	**308,412**
Net benefit obligation	**(14,212)**	-	**(382)**	**(892)**	**(1,274)**	-	**(1,582)**	**14,141**	**(10,701)**	**(2,548)**	**(690)**	**16,816**	**(902)**	**(262)**

		Pension cost charged to combined and carve-out statement of income					*Re-measurement gain (loss) recognised in other comprehensive income*							
	Acquisition of entities USD 000's	*Service cost USD 000's*	*Net interest USD 000's*	*Past service (cost)/benefit USD 000's*	*Sub-total USD 000's*	*Benefits paid USD 000's*	*Return on plan assets* USD 000's*	*Actuarial changes on demographic assumptions USD 000's*	*Actuarial changes on financial assumptions USD 000's*	*Experience adjustments USD 000's*	*Sub-total USD 000's*	*Contributions by employer USD 000's*	*Others (including exchange differences) USD 000's*	*31 December 2022 USD 000's*
Defined benefit obligation	(353,662)	-	(3,252)	(482)	(3,734)	7,468	-	2,530	56,856	(2,771)	56,615	-	-	(293,313)
Fair value of plan assets	354,867	-	3,373	-	3,373	(7,468)	(78,658)	-	-	-	(78,658)	6,987	-	279,101
Net benefit obligation	1,205	-	121	(482)	(361)	-	(78,658)	2,530	56,856	(2,771)	(22,043)	6,987	-	(14,212)

** excluding amount included in net interest*

19 PROVISION FOR EMPLOYEES' END OF SERVICE BENEFITS (continued)

The major categories of the total plan assets relating to the Menzies pension fund at fair value are, as follows:

	2023 USD 000's	*2022 USD 000's*
Quoted investments		
- Equity	-	21,803
- Bonds	**187,396**	69,142
- LDI Funds	**40,002**	79,743
- Others	**25,224**	27,705
Unquoted investments	-	-
- Investments Funds	-	39,269
- Others	**55,790**	41,439
	308,412	279,101

The principal actuarial assumptions used for the plan referred to above, which forms the most significant component of the provision for employees' end of service benefits, are as follows:

	2023	*2022*
Discount rate at 31 December	**4.45%**	4.80%
Future pension increase	**3.55%**	3.60%
Life expectation for pensioners at the age of 65 (years)	**22.48**	22.93
Duration of defined benefit obligation (in years)	**12.5**	13.5

A quantitative sensitivity analysis for significant assumption as at 31 December 2023 is as shown below. The sensitivity analysis below have been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

	2023 USD 000's	*2022 USD 000's*
0.5% decrease in discount rate	**19,968**	21,120
0.5% decrease in future pension	**(9,216)**	(9,984)
One year increase in life expectancies	**9,984**	10,240

The expected employer contributions to be made in the future years for the defined benefit plan obligations are as follows:

	2023 USD 000's	*2022 USD 000's*
Within the next 12 months	**18,090**	15,539
Between 2 and 5 years	**72,359**	36,378
Beyond 5 years	**135,674**	-
	226,123	51,917

The average duration of the defined benefit plan obligation at the end of the reporting period is 12.5 years (2022: 13.5 years).

20 INTEREST BEARING LOANS

	2023 USD 000's	*2022 USD 000's*
Secured term loans repayable between 2024 and 2029	**156,194**	313,199
Secured revolving facilities	**172,781**	74,037
Murabaha facility repayable in 2029	**145,237**	115,707
Multi year funded equity collar	**2,424,061**	-
Bank overdraft	**166,737**	58,357
Other loans	**153,143**	54,710
	3,218,153	616,010

Interest bearing loans include financing facilities amounting to USD 2,424,061 thousand (31 December 2022: USD Nil) availed during the year in relation to the funded equity collar arrangement ("collars"). These loans carry fixed interest in line with market rates and are secured against the quoted equity securities to the extent hedged. Current and non-current portions of the interest prepaid for this facility, amounts to USD 79,045 thousand and USD 163,302 thousand respectively, and is reported under other current assets (Note 16) and other non-current assets respectively.

Other interest bearing loans carry margins ranging from 0.97% to 3.6% per annum (2022: 0.8 % to 3.6% per annum) over the benchmark rates.

The following table shows the current and non-current portions (analysed by currency) of Agility SpinCo's loan obligations:

	Current portion USD 000's	***Non-current portion USD 000's***	***Total USD 000's***
EUR	-	**2,424,169**	**2,424,169**
USD	**224,572**	**149,217**	**373,789**
AED	**111,814**	**157,281**	**269,095**
SAR	**26,476**	**118,761**	**145,237**
Others	**3,406**	**2,457**	**5,863**
At 31 December 2023	**366,268**	**2,851,885**	**3,218,153**
At 31 December 2022	162,548	453,462	616,010

Interest bearing loans amounting to USD 597,574 thousand (2022: USD 569,977 thousand) are secured by trade receivables and certain other assets that are pledged as collateral against these loans.

21 OTHER NON-CURRENT LIABILITIES

	2023 USD 000's	*2022 USD 000's*
Amounts due to related parties (Note 28)	**66,846**	33,103
Government grants	**8,336**	27,450
Provision for insurance claims	**44,669**	47,739
Deferred tax liability	**9,451**	19,209
Other liabilities	**31,293**	58,272
	160,595	185,773

22 TRADE AND OTHER PAYABLES

	2023 USD 000's	*2022 USD 000's*
Trade payables	**329,159**	301,922
Accrued expenses	**187,691**	156,310
Accrued employee related expenses	**150,609**	150,061
Taxation	**34,565**	44,411
Amounts due to related parties (Note 28)	**38,975**	28,604
Other liabilities	**135,974**	156,282
	876,973	837,590

The entire trade payables are of short-term nature, non-interest bearing and normally settled on 30 to 60 days terms. The fair values of these liabilities are not materially different from their carrying values largely due to the short-term maturities of these liabilities.

23 REVENUE FROM CONTRACTS WITH CUSTOMERS

The following presents the disaggregation of the revenue from contracts with customers:

	2023 USD 000's	*2022 USD 000's*
Ground handling and airport services	**2,171,318**	960,025
Logistics services	**1,117,540**	785,272
Rent	**72,131**	61,981
Others	**574,880**	544,903
	3,935,869	2,352,181
Timing of revenue recognition		
Goods and services transferred at a point in time	**3,620,347**	2,090,207
Goods and services transferred over time	**315,522**	261,974
	3,935,869	2,352,181
Geographical markets		
Middle East	**947,544**	834,089
Africa	**1,016,025**	650,320
Europe	**838,344**	367,512
America	**795,626**	360,680
Asia	**338,330**	139,580
	3,935,869	2,352,181

24 OTHER OPERATING EXPENSES

	2023 USD 000's	*2022 USD 000's*
Salaries and employee benefits	**1,346,799**	578,932
Professional fees	**52,804**	55,174
Rent (Note 7)	**25,641**	30,531
Repairs and maintenance	**61,621**	28,801
Office, equipment and supplies	**48,895**	30,988
Expected credit losses on trade receivables (Note 15)	**7,250**	10,309
Facilities management	**64,181**	27,205
Communication	**20,171**	10,276
Expenses allocated by the Parent Company (Note 28)	**35,274**	33,633
Other expenses	**77,494**	5,209
	1,740,130	811,058

25 BUSINESS COMBINATION

Acquisitions during prior year

(a) Acquisition of John Menzies limited

On 4 August 2022, one of the entities forming part of Agility SpinCo acquired 100% equity interest in John Menzies Limited (Menzies). Menzies is a limited liability company registered and incorporated in Scotland (United Kingdom) and is engaged in providing ground and air cargo services, into-plane fuelling, fuel farm management and cargo forwarding services in several countries.

The acquisition of Menzies has been accounted based on fair values of the identifiable assets and liabilities on the acquisition date. Agility SpinCo has made certain reclassification adjustments, as well as fair value adjustments based on the purchase price allocation (PPA) exercise during the year ended 31 December 2023, to the provisional values that were earlier reported, and has accordingly restated the comparative information relating to the year ended 31 December 2022 to reflect these adjustments. The consideration paid, fair values of the assets and liabilities recognised at the date of acquisition, are summarised as follows:

	USD'000 Provisional values previously reported	***USD'000 Reclassification adjustments***	***USD'000 PPA fair value adjustments***	***USD'000 Fair value recognized on acquisition date***
Assets				
Property, plant and equipment	172,880	-	-	172,880
Right-of-use assets	190,775	-	-	190,775
Intangible assets	214,391	-	25,836	240,227
Investment in associates and joint ventures	20,474	-	-	20,474
Other non-current assets	34,819	-	-	34,819
Inventories	6,995	-	-	6,995
Trade receivables	266,197	-	-	266,197
Other current assets	87,365	-	-	87,365
Bank balances, cash and deposits	91,189	40,283	-	131,472
	1,085,085	40,283	25,836	1,151,204
Liabilities				
Interest bearing loans	402,280	40,283	-	442,563
Lease liabilities	200,686	-	-	200,686
Other non-current liabilities	127,855	-	-	127,855
Trade and other payables	380,300	-	-	380,300
	1,111,121	40,283	-	1,151,404
Total identifiable net assets at fair values	**(26,036)**	**-**	**25,836**	**(200)**
Purchase consideration *	683,366			683,366
Add: carrying value on non-controlling interest	18,865			18,865
Less: net assets acquired	26,036			200
Goodwill on acquisition	**728,267**			**702,431**
Consideration settled in cash	554,213			554,213
Cash and cash equivalents in subsidiary acquired	(91,189)			(131,472)
Net cash outflow on acquisition	**463,024**			**422,741**

Additionally, bank overdraft facilities availed subsequent to the acquisition, amounting to USD 18,074 was reclassified from 'Bank balances, cash and deposits' to 'Interest bearing loans' in the comparative information relating to the year ended 31 December 2022.

*Includes the fair value of the interest in John Menzies Limited of USD 129,153 thousand at the time of acquisition previously included in "Financial assets at fair value through other comprehensive income"

Goodwill includes the fair value of expected synergies arising from acquisition.

25 BUSINESS COMBINATION (continued)

Acquisitions during prior year (continued)

(b) Acquisition of HG Storage International Limited

On 28 August 2022, one of the entities forming part of Agility SpinCo, acquired 51% equity interest in HG Storage International Limited (HG Storage). HG Storage is a limited liability company registered and incorporated in Jersey and is engaged in providing oil pipeline and storage services in the several countries.

The acquisition of HG Storage has been accounted based on fair values of the identifiable assets and liabilities on the acquisition date. Agility SpinCo has made certain reclassification adjustments, as well as fair value adjustments based on the purchase price allocation (PPA) exercise during the year ended 31 December 2023, to the provisional values that were earlier reported, and has accordingly restated the comparative information relating to the year ended 31 December 2022 to reflect these adjustments. The consideration paid, fair values of the assets and liabilities recognised at the date of acquisition, are summarised as follows:

	USD'000 Provisional values previously reported	***USD'000 Reclassification and other adjustments***	***USD'000 PPA fair value adjustments***	***USD'000 Fair value recognized on acquisition date***
Assets				
Property, plant and equipment	204,061	(53,005)	61,737	212,793
Right of use assets	-	8,377	-	8,377
Intangible assets	-	23,025	24,902	47,927
Investment in associates and joint ventures	120,097	(13,208)	-	106,889
Financial assets at fair value through other comprehensive income	-	20,839	-	20,839
Other non-current assets	18,801	(12,971)	-	5,830
Inventories	19,296	-	-	19,296
Trade receivables	46,789	51	-	46,840
Other current assets	8,213	(7,363)	-	850
Bank balances, cash and deposits	41,293	-	-	41,293
	458,550	(34,255)	86,639	510,934
Liabilities				
Interest bearing loans	68,042	(44,042)	-	24,000
Other non-current liabilities	62,492	25,866	-	88,358
Trade and other payables	42,126	5,555	-	47,681
	172,660	(12,621)	-	160,039
Total identifiable net assets at fair values	**285,890**	**(21,634)**	**86,639**	**350,895**
Purchase consideration	196,691			196,691
Add: carrying value on non-controlling interest	190,945			171,939
Less: net assets acquired	(285,890)			(350,895)
Goodwill on acquisition	**101,746**			**17,735**
Consideration settled in cash	196,691			196,691
Cash and cash equivalents in subsidiary acquired	(41,293)			(41,293)
Net cash outflow on acquisition	**155,398**			**155,398**

Goodwill includes the fair value of expected synergies arising from acquisition.

26 DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives are financial instruments that derive their value with reference to the underlying interest rate, foreign exchange rate or other indices. Notional principal amounts merely represent amounts to which a rate or price is applied to determine the amounts of cash flows to be exchanged and do not represent the potential gain or loss associated with the market or credit risk of such instruments. The entities forming part of Agility SpinCo deal in the following derivative instruments to manage the interest rate risk and foreign exchange positions.

Derivatives held for trading
Derivatives used for hedging purpose but which do not meet the qualifying criteria for hedge accounting are classified as 'derivatives held for trading'.

Equity Collars:
Equity collars consist of call and put options to hedge the fair value movements of quoted equity securities carried at fair value.

Interest rate swaps
Interest rate swaps are contractual agreements between two counterparties to exchange interest payments on a defined principal amount for a fixed period of time in order to manage the interest rate risk on the interest bearing assets and liabilities.

The table below shows the fair values of derivative financial instruments, recorded as assets or liabilities, together with their notional amounts analysed by the terms of maturity. The notional amount, recorded gross, is the amount of a derivative's underlying amount and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

				Notional amounts by term to maturity		
	Positive fair value* USD 000's	***Negative fair value USD 000's***	***Notional amount USD 000's***	***Within one year USD 000's***	***1 – 5 years USD 000's***	***> 5 years USD 000's***
2023						
Derivatives held as fair flow hedge:						
Equity collars	**211,866**	-	**2,693,401**	-	**2,693,401**	-
Derivatives held as cash flow hedge:						
Interest rate swap	**141**	-	**16,685**	**16,685**	-	-
	212,007	-	**2,710,086**	**16,685**	**2,693,401**	-

				Notional amounts by term to maturity		
	Positive fair value USD 000's*	*Negative fair value USD 000's*	*Notional amount USD 000's*	*Within one year USD 000's*	*1 – 5 years USD 000's*	*> 5 years USD 000's*
2022						
Derivatives held as cash flow hedge:						
Interest rate swap	1,975	-	51,787	-	51,787	-
	1,975	-	51,787	-	51,787	-

**Included in other non-current assets in the combined and carve-out statement of financial position.*

27 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

	2023 USD 000's	*2022 USD 000's*
Letters of guarantee	**355,749**	335,255
Operating lease commitments	**6,519**	4,124
Capital commitments	**33,336**	85,626
Corporate guarantees*	**348,087**	485,845
	743,691	910,850

* An entity forming part of Agility SpinCo and a related party are part of an arrangement to construct and develop a commercial mall in UAE ("project"). Currently it has an equity interest of 19.87 % (31 December 2022: 19.87%) and has also extended interest bearing loan facilities to the project (Note 28). Further, the Parent Company has provided corporate guarantees amounting to USD 347,000 thousand (31 December 2022: USD 450,909 thousand) (Note 28) to external financial institutions that have provided finance facilities to the project which is expected to be transferred to Agility SpinCo upon listing.

Legal claims

Dispute with Iraqi Airways Company (IAC):
Aviation Service (Iraq) Limited (ASIL), an indirect partially owned subsidiary of John Menzies (as an entity forming part of Agility SpinCo), is a party to a concession agreement with IAC to provide Ground Handling and Aviation Fuel Concession Agreement with IAC (the "Concession Agreement"). Pursuant to the Concession Agreement, the parties established a separate entity in Iraq, Menzies Aviation Services Iraq LLC (but registered as United Iraqi Company for Airports and Ground Handling Services Limited) ("MASIL") to perform the services under the Concession Agreement.

On 20 October 2022, ASIL commenced an arbitration in the Dubai International Arbitration Centre ("DIAC") with assigned case number 239/2022 against IAC. The claim seeks, inter alia, damages against IAC for breaches of the Concession Agreement, including costs associated with services provided under the Concession Agreement in the amount of USD 15 million and loss of profits incurred by ASIL in the amount of USD 81 million. IAC has not filed any response to the request for arbitration. On 28 October 2023, DIAC confirmed the appointment of the chairperson of the Tribunal. The parties had their first meeting and were, as at 31 December 2023, in the process of agreeing the procedural timetable.

IAC subsequently commenced proceedings before the commercial court in Iraq seeking, inter alia, the annulment of the registration of MASIL, the annulment of the shareholders agreement entered into between ASIL and IAC (as shareholders in MASIL) and MASIL (as the company) and sought a grossly inflated financial compensation with no substantive evidence whatsoever. On 17 October 2023, the court decided to close the hearings in Commercial Case 1/2023 filed by IAC and later on dismissed the case. IAC appealed the decision of the Court of First Instance to the Supreme Court. The Supreme Court upheld the decision of the Court of First Instance and dismissed IAC's claim. The decision of the Supreme Court is final and binding.

On ASIL's request, the court has suspended Commercial Case 2/2023 until the arbitration has been determined pursuant to Article 253(3) of the Iraqi Civil Procedure Law.

In early January 2024, ASIL, MASIL and IAC reached a settlement whereby the parties have agreed to amicably resolve the issues subject of the ongoing disputes between them. By virtue of the settlement, IAC has agreed to pay to ASIL an amount equal to $9,608,802. The settlement agreement was endorsed by the Iraqi Prime Minister and the Iraqi Counsel of Ministers. IAC made its first payment of $4,800,000 with the balance being due as follows:
- $1,600,000 by the end of February 2024;
- $1,600,000 by the end of March 2024; and
- $1,608,002 by the end of April 2024.

As part of the settlement, ASIL has agreed to cancel the DIAC arbitration and IAC has agreed to withdraw the claims it filed before the commercial courts in Iraq.

In addition to the above, there are various incidental claims and legal proceedings. The management believes that these matters will not have a material adverse effect on the combined and carve-out financial statements.

28 RELATED PARTY TRANSACTIONS

Related parties include Parent Company, entities under common control outside the entities forming part of Agility SpinCo, directors and key management personnel of the Parent Company.

Transactions and balances with related parties are as follows:

2023	***Parent Company USD 000's***	***Entities under common control USD 000's***	***Other related parties USD 000's***	***Total USD 000's***
Combined and carve-out statement of income				
Revenues	**4,820**	**20,810**	**44,092**	**69,722**
Direct expenses	**(1,536)**	-	**(165,912)**	**(167,448)**
Other operating expenses *	**(35,274)**	-	**(211)**	**(35,485)**
Share of results of associates and joint ventures	-	-	**20,140**	**20,140**
Interest income	-	**2,155**	**317**	**2,472**
Finance Costs	**(74,260)**	**(25,760)**	**(20)**	**(100,040)**
Combined and carve-out statement of financial position				
Investment in associates and joint ventures (Note 11)	-	-	**456,747**	**456,747**
Financial assets at fair value through other comprehensive income	-	-	**35,135**	**35,135**
Financial assets at fair value through profit or loss	-	-	**3,772**	**3,772**
Trade receivables	-	-	**35,765**	**35,765**
Amounts due from related parties	**3,769**	**34,561**	-	**38,330**
Loans to related parties	-	-	**735,568**	**735,568**
Amounts due to related parties	**2,650,123**	**155,448**	-	**2,805,571**
Other non-current liabilities (Note 21)	-	-	**66,846**	**66,846**
Trade and other payables (Note 22)	-	-	**38,975**	**38,975**

2022	*Parent Company USD 000's*	*Entities under common control USD 000's*	*Other related parties USD 000's*	*Total USD 000's*
Combined and carve-out statement of income				
Revenues	2,434	14,638	22,181	39,253
Direct expenses	(1,569)	-	(76,808)	(78,377)
Other operating expenses *	(33,633)	-	(152)	(33,785)
Share of results of associates and joint ventures	-	-	(6,989)	(6,989)
Interest income	-	862	228	1,090
Finance Costs	(60,515)	(17,753)	(323)	(78,591)
Combined and carve-out statement of financial position				
Investment in associates and joint ventures (Note 11)	-	-	438,742	438,742
Financial assets at fair value through other comprehensive income	-	-	32,298	32,298
Trade receivables	-	-	44,518	44,518
Amounts due from related parties	6,484	31,492	-	37,976
Loans to related parties	-	-	597,415	597,415
Amounts due to related parties	2,021,112	728,491	-	2,749,603
Other non-current liabilities (Note 21)	-	-	33,103	33,103
Trade and other payables (Note 22)	-	-	28,604	28,604

Loans to related parties include USD 700,391 thousand (2022: USD 592,568 thousand) provided to a joint venture and represents amounts advanced by an entity forming part of Agility SpinCo towards the construction and development of a Commercial Mall in UAE ("Project"). This amount bears compounded annual interest rates and can be converted to equity in the project on completion of construction subject to the project achieving certain operational targets and upon the discretion of the entity. During the year, Agility SpinCo has recognized expected credit loss of USD 10,000 thousand (2022: Nil) on the above loan.

28 RELATED PARTY TRANSACTIONS (continued)

Further, the Parent Company has provided corporate guarantees amounting to USD 347,000 thousand (31 December 2022: USD 450,909 thousand) to external financial institutions that have provided finance facilities to the Project, which is expected to be transferred to Agility SpinCo upon listing (Note 27).

Amounts due to related parties amounting to USD 2,802,764 thousand represents loans payable to the Parent Company and entities under common control which carry interest at market rates.

During the year, loans payable to the Parent Company to the extent of USD 933,674 thousand and USD 583,478 thousand were converted as equity contribution in Agility SpinCo on 1 January 2023 and 1 July 2023 respectively.

* Includes allocation of general corporate expenses from the Parent Company (Note 2.5)

Compensation of key management personnel
The remuneration of board of directors and other members of key management (executives) of the Parent Company allocated to Agility SpinCo during the year were as follows. These allocations may not, however, reflect the expenses Agility SpinCo would have incurred as a standalone Group for the periods presented. Actual costs that may have been incurred if Agility SpinCo had been a standalone company would depend on a number of factors, including the finalised organizational structure and other strategic decisions.

	2023 ***USD 000's***	*2022* *USD 000's*
Short-term benefits (Key management)	**8,365**	7,010
Committee services to board of directors of Parent Company	**969**	892
Remuneration to board of directors of Parent Company	**969**	892
	10,303	8,794

Short term benefits include discretionary bonus amounting to USD 6,222 thousand (2022: USD 5,470 thousand) awarded to key management personnel of the Parent Company and allocated to Agility SpinCo.

29 OPERATING SEGMENT INFORMATION

The following entities are considered as its major operating segments in Agility SpinCo:-

Aviation Services: This represents services provided in the airports including ground handling, air cargo services, into-plane fuelling, fuel farm management and cargo forwarding.

Fuel Logistics: This includes logistics services relating to fuel comprising turnkey fuel contracts, fuel trading, distribution, tanker owning, chartering, coastal operations, Road transport, warehousing, fuel farm management and bulk fuel storage.

Industrial real estate: consists of developing warehousing and light industrial facilities to business looking to manager their own warehousing operations.

Investments: comprises of business units that hold non-controlling interest in various sectors. These investments comprise both quoted and unquoted equity securities and convertible loans.

Others: Consists of all business units other than the above.

29 OPERATING SEGMENT INFORMATION (continued)

2023	*Aviation Services USD 000's*	*Fuel Logistics USD 000's*	*Industrial Real Estate USD 000's*	*Investments USD 000's*	*Others USD 000's*	*Total USD 000's*
Revenues	**2,165,913**	**1,096,295**	**45,988**	-	**627,673**	**3,935,869**
Results						
Profit before interest, taxation, depreciation and amortisation (EBITDA)	**318,102**	**217,931**	**74,045**	**(11,401)**	**6,878**	**605,555**
Depreciation						**(239,302)**
Amortisation						**(33,543)**
Profit before interest and taxation (EBIT)						**332,710**
Interest income						**7,480**
Finance costs						**(216,567)**
Profit before taxation						**123,623**
Taxation						**(36,003)**
Profit for the year						**87,620**
Total Assets	**2,311,747**	**1,645,653**	**861,876**	**4,944,028**	**472,449**	**10,235,753**
Total Liabilities	**2,119,874**	**881,743**	**503,317**	**4,345,430**	**(178,337)**	**7,672,027**
Other disclosures:						
Goodwill (Note 10)	**743,616**	**102,219**	-	-	**68,809**	**914,644**
Intangible assets (Note 9)	**227,371**	**41,863**	-	-	**2,189**	**271,423**
Capital expenditure	**(73,669)**	**(45,800)**	**(24,453)**	-	**(2,517)**	**(146,439)**
Change in fair value of investment properties (Note 8)	-	-	**43,963**	-	-	**43,963**

29 OPERATING SEGMENT INFORMATION (continued)

2022	*Aviation Services USD 000's*	*Fuel Logistics USD 000's*	*Industrial Real Estate USD 000's*	*Investments USD 000's*	*Others USD 000's*	*Total USD 000's*
Revenues	955,033	833,928	34,759	-	528,461	2,352,181
Results						
Profit before interest, taxation, depreciation and amortisation (EBITDA)	135,082	173,156	96,998	(25,558)	(16,319)	363,359
Depreciation						(124,904)
Amortisation						(21,019)
Profit before interest and taxation (EBIT)						217,436
Interest income						1,988
Finance costs						(114,231)
Profit before taxation						105,193
Taxation						(20,877)
Profit for the year						84,316
Total Assets	2,103,022	1,636,173	654,871	4,110,272	457,641	8,961,979
Total Liabilities	1,917,260	896,812	342,081	704,592	1,012,889	4,873,634
Other disclosures:						
Goodwill (Note 10)	744,170	86,980	-	-	66,851	898,001
Intangible assets (Note 9)	246,230	47,927	-	-	9,045	303,202
Capital expenditure	(43,488)	(38,929)	(32,174)	-	(7,769)	(122,360)
Change in fair value of investment properties (Note 8)	-	-	73,475	-	-	73,475

Inter-segment transactions and balances are eliminated upon consolidation and included in the "others" column. Agility SpinCo's financing (including finance costs and finance income) and income taxes are managed on an overall combined basis and are not allocated to operating segments.

Capital expenditure consists of cash additions to property, plant and equipment, projects in progress and investment properties.

Other geographic information

The following presents information regarding Agility SpinCo's non-current assets based on its geographical segments:

Non-current assets	***2023 USD 000's***	*2022 USD 000's*
Middle east	**3,490,242**	2,076,963
Asia	**248,299**	265,140
Europe	**188,365**	379,333
America	**358,438**	681,604
Africa	**291,354**	498,993
	4,576,698	3,902,033

Non-current assets for this purpose consists of property, plant and equipment, projects in progress, right-of-use assets, investment properties, intangible assets, goodwill, other non-current assets and loan to related parties.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The exposure to risks from its use of financial instruments and these risks are managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the continuing profitability. The principal financial liabilities, other than derivatives, comprise interest bearing loans, due to related parties, trade and other payables. The main purpose of these financial liabilities is to raise finance for the operations. The financial assets comprise trade and other receivables, cash and short-term deposits, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and loan to related parties.

The Parent Company's senior management reviews and agrees policies for managing risks and provides assurance to the Board of Directors of the Parent Company that the financial risk-taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with policies and risk appetite. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the parent company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The major risks to which Agility SpinCo is exposed in conducting its business and operations, and the means and organisational structure it employs in seeking to manage them strategically are outlined below.

Risk mitigation
As part of its overall risk management, and as considered appropriate, derivatives and other instruments are used to manage exposures resulting from changes in interest rates, foreign currencies, equity risks, credit risks, and exposures arising from forecast transactions.

Excessive risk concentration
Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the earnings to developments affecting a particular industry or geographical location.

In order to avoid excessive concentrations and the risk arising there from, management monitors them on an ongoing basis. Identified concentrations of credit risks are controlled and managed accordingly. There are no significant concentrations of credit risk identified.

The main risks arising from the financial instruments are credit risk, liquidity risk and market risk with the latter subdivided into interest rate risk, foreign currency risk and equity price risk.

Credit risk
Credit risk is the risk that counter will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Agility SpinCo is exposed to credit risk from its operating activities (primarily for trade receivables and other receivables), investing activities (loans to related parties) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Gross maximum exposure to credit risk
The table below shows the gross maximum exposure to credit risk across financial assets before credit risk mitigation:

	2023 USD 000's	*2022 USD 000's*
Bank balances	**564,642**	383,762
Trade receivables	**586,012**	585,899
Loans to related parties	**735,568**	597,415
Other assets *(excluding advances to suppliers and prepaid expenses)*	**171,532**	102,035
	2,057,754	1,669,111

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)

Trade receivables

The exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer base, including the default risk of the industry and country, in which customers operate, has less of an influence on credit risk.

Customer credit risk is managed by each business unit subject to the established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored and any services/shipments to major customers are generally covered by security deposits, letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions.

The management performs an impairment analysis at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 15.

The table below provides information about the credit risk exposure on the trade receivables using a provision matrix:

31 December 2023	***Trade receivables***						
		Days past due					
	Current USD 000's	***1 to 30 days USD 000's***	***31 to 60 days USD 000's***	***61 to 90 days USD 000's***	***91 to 120 days USD 000's***	***> 120 days USD 000's***	***Total USD 000's***
Estimated total gross carrying amount at default	**136,310**	**261,290**	**104,975**	**40,389**	**37,522**	**90,423**	**670,909**
Provision for estimated credit loss							**84,897**
Expected credit loss rate							**13%**

31 December 2022	*Trade receivables*						
		Days past due					
	Current USD 000's	*1 to 30 days USD 000's*	*31 to 60 days USD 000's*	*61 to 90 days USD 000's*	*91 to 120 days USD 000's*	*> 120 days USD 000's*	*Total USD 000's*
Estimated total gross carrying amount at default	85,796	291,829	94,824	37,857	44,116	103,603	658,025
Provision for estimated credit loss							72,126
Expected credit loss rate							11%

Cash and cash equivalents

Credit risk from balances with banks and financial institutions is managed by the Parent Company's treasury in accordance with the policy. Investments of surplus funds are made only with approved counterparties to minimise the concentration of risks and therefore mitigate financial loss through potential counterparty failure. The maximum exposure to credit risk for the components of the combined and carve-out statement of financial position at 31 December 2023 and 31 December 2022 is the carrying amounts at the reporting date.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Credit risk (continued)
Cash and cash equivalents (continued)
Exposure to credit risk is managed by placing funds only with counterparties with appropriate credit ratings. Given these credit ratings, management does not expect any counterparty to fail to meet its obligations.

Liquidity risk
Liquidity risk is the risk that entities forming part of Agility SpinCo will be unable to meet its liabilities when they fall due. To limit this risk, management has arranged diversified funding sources, manages assets with liquidity in mind, and monitors liquidity on a periodic basis.

The table below summarises the maturity profile of the financial liabilities based on contractual undiscounted repayment obligations:

2023	***Less than 1 month USD 000's***	***1 to 3 months USD 000's***	***3 to 12 months USD 000's***	***More than 1 year USD 000's***	***Total USD 000's***
Interest bearing loans	**4,565**	**100,689**	**315,760**	**701,691**	**1,122,705**
Lease liabilities	**13,806**	**27,612**	**124,254**	**706,949**	**872,621**
Trade and other payables	**75,275**	**150,550**	**651,148**	-	**876,973**
Due to related parties	-	**2,807**	-	**2,802,764**	**2,805,571**
Other non-current liabilities	-	-	-	**124,857**	**124,857**
Total financial liabilities	**93,646**	**281,658**	**1,091,162**	**4,336,261**	**5,802,727**

2022	*Less than 1 month USD 000's*	*1 to 3 months USD 000's*	*3 to 12 months USD 000's*	*More than 1 year USD 000's*	*Total USD 000's*
Interest bearing loans	1,999	41,056	121,168	543,430	707,653
Lease liabilities	9,455	18,911	85,101	468,802	582,269
Trade and other payables	69,336	138,672	629,582	-	837,590
Due to related parties	-	2,516	-	2,747,087	2,749,603
Other non-current liabilities	-	-	-	159,907	159,907
Total financial liabilities	80,790	201,155	835,851	3,919,226	5,037,022

Market risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk, and other price risks, such as equity risk. Financial instruments affected by market risk include bank balances and trade receivables in foreign currencies, deposits, financial assets at fair value and related party, interest bearing loans, trade payables in foreign currencies and derivative financial instruments. The sensitivity analyses in the following sections relate to the position as at 31 December 2023 and 31 December 2022.

Market risk is managed on the basis of pre-determined asset allocations across various asset categories, diversification of assets in terms of geographical distribution and industry concentration, a continuous appraisal of market conditions and trends and management's estimate of long and short term changes in fair value.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The exposure to the risk of changes in market interest rates relates primarily to the debt obligations with floating interest rates.

Interest rate risk is managed by having a balanced portfolio of fixed and variable rate loans and borrowings and by entering into interest rate swaps, in which the management agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)

Interest rate risk (continued)

Interest rate sensitivity

Based on the financial assets and liabilities held at the year end, an assumed 50 basis points movement in interest rate, with all other variables held constant, would equally impact the profit before taxation as follows.

	50 basis points movement Effect on combined and carve-out statement of income	
	2023 USD 000's	*2022 USD 000's*
	±3,490	±2,416

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The exposure to the risk of changes in foreign exchange rates relates primarily to the operating and financing activities (when revenues, expenses and borrowings are denominated in a currency other than US Dollars) and financial assets at fair value denominated in foreign currency.

Foreign currency risk is managed by use of derivative financial instruments where appropriate and the net exposure is kept to an acceptable level.

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the EURO / US Dollars exchange rate, with all other variables held constant, of the profit before taxation (due to changes in the fair value of monetary assets and liabilities) and equity (due to changes in the fair value of financial assets at fair value through other comprehensive income). The exposure to foreign currency for all other currencies is not material.

	Change in currency rate by 1 %			
	Effect on other comprehensive income		***Effect on combined and carve-out statement of income***	
	2023 USD 000's	*2022 USD 000's*	***2023 USD 000's***	*2022 USD 000's*
EURO	**±14,375**	±21,872	-	±309

Equity price risk

Equity price risk is the risk that fair values of equities change as the result of changes in level of equity indices and the value of individual stocks.

Quoted Securities:

The effect (as a result of a change in the fair value of financial assets at fair value through profit or loss and other comprehensive income) due to a reasonably possible change in market indices, with all other variables held constant on the results is as follows:

	2023			*2022*		
	Change in *equity price % (+/-)*	***Effect on equity (+/-) USD 000's***	***Effect on profit (+/-) USD 000's***	Change in *equity price % (+/-)*	*Effect on equity (+/-) USD 000's*	*Effect on profit (+/-) USD 000's*
	5	**169,810**	**224**	5	151,571	634

30 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Market risk (continued)
Equity price risk (continued)
Unquoted securities:
Sensitivity analysis relating to unquoted securities (financial assets measured at fair value through other comprehensive income and financial assets at fair value through profit or loss) is included in Note 31.

31 FAIR VALUES OF FINANCIAL INSTRUMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in orderly transactions between market participants at the measurement date.

Determination of fair value and fair value hierarchy:
Agility SpinCo uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: quoted (unadjusted) prices in an active market for identical assets and liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and
Level 3: other techniques which use inputs which have a significant effect on the recorded fair value are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy:

2023	*Level 1 USD'000*	*Level 2 USD'000*	*Level 3 USD'000*	*Total fair value USD'000*
Financial assets measured at fair value through profit or loss				
Quoted equity securities	**4,472**	-	-	**4,472**
Investment in funds	-	**3,723**	-	**3,723**
Loan to a related party	-	-	**700,391**	**700,391**
	4,472	**3,723**	**700,391**	**708,586**
Financial assets measured at fair value through other comprehensive income				
Quoted equity securities	**3,396,199**	-	-	**3,396,199**
Treasury bills	-	-	**19,361**	**19,361**
Unquoted equity securities	-	-	**89,305**	**89,305**
	3,396,199	-	**108,666**	**3,504,865**
Derivative financial assets:				
Equity collars	-	**211,866**	-	**211,866**
Interest rate swaps	-	**141**	-	**141**
	-	**212,007**	-	**212,007**
	3,400,671	**215,730**	**809,057**	**4,425,458**

31 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Determination of fair value and fair value hierarchy (continued)

2022	*Level 1 USD'000*	*Level 2 USD'000*	*Level 3 USD'000*	*Total fair value USD'000*
Financial assets measured at fair value through profit or loss				
Quoted equity securities	12,687	-	-	12,687
Investment in funds	-	5,366	-	5,366
Loan to a related party	-	-	592,568	592,568
	12,687	5,366	592,568	610,621
Financial assets measured at fair value through other comprehensive income				
Quoted equity securities	3,031,427	-	-	3,031,427
Treasury bills	-	-	20,839	20,839
Unquoted equity securities	-	-	156,616	156,616
	3,031,427	-	177,455	3,208,882
Derivative financial assets:				
Interest rate swaps	-	1,975	-	1,975
	-	1,975	-	1,975
	3,044,114	7,341	770,023	3,821,478

There were no transfers between the hierarchies during 2023 and 2022.

The following table below shows a reconciliation of the opening and the closing amount of level 3 financial assets measured at fair value:

	2023 USD'000	*2022 USD'000*
As at 1 January	**770,023**	608,198
Re-measurement recognised in other comprehensive income	**(91,614)**	(3,654)
Others including net additions (sales) and transfer	**130,648**	165,479
As at 31 December	**809,057**	770,023

Fair value of Agility SpinCo's financial assets that are measured at fair value on a recurring basis:

Financial assets at fair value through other comprehensive income:
Fair values of certain unquoted equity securities classified as financial assets classified as fair value through other comprehensive income are determined using valuation techniques that are not based on observable market prices or rates. The impact on the combined and carve-out statement of comprehensive income would be immaterial if the relevant risk variables used to fair value the unquoted securities were altered by 5%.

Derivatives
The fair value of the collars has been determined based on the Black Scholes model for which key inputs include risk free rate, strike price for the put and call options, spot price of the equity security and volatility of the put and call options.

Loan to a related party
The debt instrument has been valued based on the residual land value of the investee's major asset, using the discounted cash flow method. The most significant unobservable inputs used in the fair value measurements include the exit rate and discount rate.

32 CAPITAL MANGAGEMENT

The primary objective of Agility SpinCo's management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

Agility SpinCo includes within net debt, interest bearing loans less bank balances, cash and deposits. Capital includes Invested equity attributable to the equity holders of Agility SpinCo and non- controlling interests.

	2023 ***USD 000's***	*2022* *USD 000's*
Interest bearing loans	**3,218,153**	616,010
Bank balances, cash and deposits	**(564,642)**	(383,762)
Net Debt	**2,653,511**	232,248
Invested equity attributable to the equity holders of Agility SpinCo	**2,108,519**	3,649,952
Non-controlling interests	**392,397**	375,583
Capital	**2,500,916**	4,025,535
Capital and debt	**5,154,427**	4,257,783
Gearing	**51.48%**	5.45%

33 EVENTS AFTER REPORTING YEAR

On 14 February 2024, the Parent Company has converted a major portion of its intercompany loans in Agility SpinCo to equity. The loans so converted, along with the 'share capital' and 'other contribution' balance was registered as share capital and share premium in Agility Global PLC amounting to USD 208,344 thousand and USD 4,385,283 thousand respectively.