

ARAMEX PJSC AND ITS SUBSIDIARIES

**UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION**

**FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2022**

ARAMEX PJSC AND ITS SUBSIDIARIES

Review report and condensed interim consolidated financial information for the six-month period ended 30 June 2022

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Report on review of condensed interim consolidated financial information to the Directors of Aramex PJSC

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Aramex PJSC ("the Company") and its subsidiaries (together referred to as "the Group") as at 30 June 2022 and the related condensed interim consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, condensed interim consolidated statements of changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 'Interim Financial Reporting' ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of interim financial information performed by the independent auditor of the entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

PricewaterhouseCoopers
10 August 2022

Murad Alnsour
Registered Auditor Number 1301
Dubai, United Arab Emirates



ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

	Note	30 June 2022 AED "000" Reviewed	31 December 2021 AED "000" Audited
Assets			
Non-current assets			
Property and equipment	4	894,105	941,430
Right of use assets	5	921,555	894,266
Goodwill		1,002,568	1,002,568
Other intangible assets		199,872	201,255
Investments in joint ventures and associates		34,375	37,448
Financial assets at fair value through other comprehensive income		17,614	17,638
Deferred tax assets		21,150	8,006
Other non-current assets		3,531	4,115
		3,094,770	3,106,726
Current assets			
Accounts receivable, net		1,144,011	1,219,422
Other current assets		312,682	293,709
Restricted cash, margins and fixed deposits	7	10,502	57,641
Cash and cash equivalents	7	581,872	711,800
		2,049,067	2,282,572
Assets held for sale	6	4,601	10,650
Total assets		5,148,438	5,399,948
Equity and liabilities			
Equity			
Share capital		1,464,100	1,464,100
Statutory reserve		440,802	440,802
Foreign currency translation reserve		(440,973)	(398,529)
Reserve arising from acquisition of non-controlling interests		(329,759)	(329,759)
Reserve arising from other comprehensive income items		(12,015)	(12,008)
Retained earnings		1,402,108	1,500,570
		2,524,263	2,665,176
Equity attributable to equity holders of the Parent Company		2,524,263	2,665,176
Non-controlling interests		9,944	10,817
Net equity		2,534,207	2,675,993
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings		122,172	137,259
Employees' end of service benefits		152,316	148,822
Lease liabilities		794,948	754,933
Deferred tax liabilities		37,511	42,114
Deferred income		15,709	18,305
		1,122,656	1,101,433
Current liabilities			
Accounts payable		270,356	344,120
Bank overdrafts	9	136,851	153,113
Lease liabilities		181,931	180,382
Interest-bearing loans and borrowings		30,527	27,424
Income tax provision		61,137	62,547
Other current liabilities		809,013	850,431
		1,489,815	1,618,017
Liabilities held for sale	6	1,760	4,505
Total liabilities		2,614,231	2,723,955
Total equity and liabilities		5,148,438	5,399,948

To the best of our knowledge, this condensed interim consolidated financial information is prepared, in all material respects, in accordance with IAS 34.

Mohamed Juma Alshamsi
(Chairman)

Othman Aljeda
(Chief Executive Officer)

Nicolas Sibuet
(Chief Financial Officer)

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2022 AED "000" Reviewed	2021 AED "000" Reviewed	2022 AED "000" Reviewed	2021 AED "000" Reviewed
Continuing operations					
Rendering of services		1,516,589	1,570,923	2,965,521	2,995,856
Cost of services		(1,137,966)	(1,182,258)	(2,242,798)	(2,248,546)
Gross profit		<u>378,623</u>	<u>388,665</u>	<u>722,723</u>	<u>747,310</u>
Selling and marketing expenses		(65,140)	(77,114)	(123,925)	(144,514)
Administrative expenses		(234,187)	(213,497)	(448,300)	(427,004)
Net impairment loss on financial assets		(4,758)	(5,016)	(9,305)	(11,444)
Other (expense)/income, net		(10,969)	6,514	(2,618)	14,657
Operating profit		<u>63,569</u>	<u>99,552</u>	<u>138,575</u>	<u>179,005</u>
Finance income		1,005	1,426	1,996	3,673
Finance costs		(15,377)	(15,364)	(28,217)	(30,653)
Share of results of joint ventures and associates		4,164	4,608	7,720	7,293
Profit before income tax		<u>53,361</u>	<u>90,222</u>	<u>120,074</u>	<u>159,318</u>
Income tax expense	15	(8,349)	(29,409)	(28,085)	(57,055)
Profit for the period from continuing operations		<u>45,012</u>	<u>60,813</u>	<u>91,989</u>	<u>102,263</u>
Discontinued operations					
(Loss)/profit after tax for the period from discontinued operations	6	(24)	5,432	(16)	11,327
Gain on sale of a subsidiary	6	-	-	800	-
Profit for the period		<u>44,988</u>	<u>66,245</u>	<u>92,773</u>	<u>113,590</u>
Attributable to:					
<i>Equity holders of the Parent Company</i>					
Profit for the period from continuing operations		44,592	60,419	91,087	101,075
(Loss)/profit for the period from discontinued operations		(24)	5,047	784	10,404
		<u>44,568</u>	<u>65,466</u>	<u>91,871</u>	<u>111,479</u>
<i>Non-controlling interests</i>					
Profit for the period from continuing operations		420	394	902	1,188
Profit for the period from discontinued operations		-	385	-	923
		<u>420</u>	<u>779</u>	<u>902</u>	<u>2,111</u>
Earnings per share attributable to equity holders of the Parent Company					
Basic and diluted earnings per share from continuing operations	8	<u>0.030</u>	<u>0.041</u>	<u>0.062</u>	<u>0.069</u>
Basic and diluted earnings per share from discontinued operations	8	<u>0.000</u>	<u>0.003</u>	<u>0.001</u>	<u>0.007</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2022 AED "000" Reviewed	2021 AED "000" Reviewed	2022 AED "000" Reviewed	2021 AED "000" Reviewed
Profit for the period	44,988	66,245	92,773	113,590
Other comprehensive income				
<i>Other comprehensive (loss)/income to be reclassified to the condensed interim consolidated statement of profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(13,623)	3,415	(41,993)	(8,611)
Impact of hyperinflation	1,829	349	(6,165)	400
	<u>(11,794)</u>	<u>3,764</u>	<u>(48,158)</u>	<u>(8,211)</u>
<i>Other comprehensive loss not to be reclassified to the condensed interim consolidated statement of profit or loss in subsequent periods:</i>				
Loss on equity instruments at fair value through other comprehensive income	(151)	(24)	(17)	(1,186)
Remeasurements of post-employment benefits obligations through other comprehensive income	17	-	10	-
	<u>(134)</u>	<u>(24)</u>	<u>(7)</u>	<u>(1,186)</u>
Other comprehensive (loss)/income for the period, net of tax	<u>(11,928)</u>	<u>3,740</u>	<u>(48,165)</u>	<u>(9,397)</u>
Total comprehensive income for the period	<u>33,060</u>	<u>69,985</u>	<u>44,608</u>	<u>104,193</u>
Attributable to:				
Equity holders of the Parent Company	33,070	69,366	44,354	104,053
Non-controlling interests	(10)	619	254	140
	<u>33,060</u>	<u>69,985</u>	<u>44,608</u>	<u>104,193</u>
Total comprehensive income attributable to equity holders of the Parent Company arises from:				
Continuing operations	31,395	69,112	42,463	98,067
Discontinued operations	1,675	254	1,891	5,986
	<u>33,070</u>	<u>69,366</u>	<u>44,354</u>	<u>104,053</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

	Attributable to equity holders of the Parent Company								Total equity AED “000”
	Share capital AED “000”	Statutory reserve AED “000”	Foreign currency translation reserve AED “000”	Reserve arising from acquisition of non-controlling interests AED “000”	Reserves arising from other comprehensive income items AED “000”	Retained earnings AED “000”	Total AED “000”	Non-controlling interests AED “000”	
For the six-month ended 30 June 2022									
Balance at 1 January 2022	1,464,100	440,802	(398,529)	(329,759)	(12,008)	1,500,570	2,665,176	10,817	2,675,993
Impact of hyperinflation	-	-	5,066	-	-	-	5,066	-	5,066
At 1 January 2022 (adjusted)	1,464,100	440,802	(393,463)	(329,759)	(12,008)	1,500,570	2,670,242	10,817	2,681,059
Profit for the period	-	-	-	-	-	91,871	91,871	902	92,773
Other comprehensive loss	-	-	(47,510)	-	(7)	-	(47,517)	(648)	(48,165)
Total comprehensive (loss)/income for the period	-	-	(47,510)	-	(7)	91,871	44,354	254	44,608
Dividends of subsidiaries	-	-	-	-	-	-	-	(1,127)	(1,127)
Dividends to shareholders (note 3)	-	-	-	-	-	(190,333)	(190,333)	-	(190,333)
Balance at 30 June 2022	1,464,100	440,802	(440,973)	(329,759)	(12,015)	1,402,108	2,524,263	9,944	2,534,207
For the six-month ended 30 June 2021									
Balance at 1 January 2021	1,464,100	408,929	(344,425)	(335,186)	(7,064)	1,504,306	2,690,660	16,301	2,706,961
Impact of hyperinflation	-	-	19,706	-	-	-	19,706	-	19,706
At 1 January 2021 (adjusted)	1,464,100	408,929	(324,719)	(335,186)	(7,064)	1,504,306	2,710,366	16,301	2,726,667
Profit for the period	-	-	-	-	-	111,479	111,479	2,111	113,590
Other comprehensive loss	-	-	(6,240)	-	(1,186)	-	(7,426)	(1,971)	(9,397)
Total comprehensive (loss)/income for the period	-	-	(6,240)	-	(1,186)	111,479	104,053	140	104,193
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	1,102	(1,102)	-	-	-
Dividends of subsidiaries	-	-	-	-	-	-	-	(2,395)	(2,395)
Dividends to shareholders (note 3)	-	-	-	-	-	(190,333)	(190,333)	-	(190,333)
Balance at 30 June 2021	1,464,100	408,929	(330,959)	(335,186)	(7,148)	1,424,350	2,624,086	14,046	2,638,132

The notes on pages 8 to 26 form an integral part of this condensed interim consolidated financial information.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE

	Note	For the six-month period ended 30 June	
		2022	2021
		AED “000”	AED “000”
		Reviewed	Reviewed
<u>OPERATING ACTIVITIES</u>			
Profit before tax from continuing operations		120,074	159,318
Profit before tax from discontinued operations	6	835	13,094
Profit before tax		120,909	172,412
Adjustments for			
Depreciation of property and equipment		55,985	61,677
Depreciation of right of use assets		129,606	131,046
Amortisation of other intangible assets		1,383	4,442
Loss/(gain) on sale of property and equipment		10,897	(1,824)
Provision for employees’ end of service benefits		17,071	22,690
Net impairment loss on financial assets		9,760	13,626
Finance costs – borrowings		5,528	7,357
Finance costs – lease liabilities		22,724	24,823
Finance income		(1,996)	(3,855)
Gain on sale of a subsidiary	6	(800)	-
Share of results of joint ventures and associates		(7,720)	(7,293)
		363,347	425,101
Working capital adjustments:			
Accounts receivable		65,762	(60,869)
Other current assets		(18,635)	(40,096)
Accounts payables		(76,633)	(5,662)
Other current liabilities		(41,966)	(88,003)
Net cash flows generated from operating activities before income tax and employees’ end of service benefits paid		291,875	230,471
Income tax paid		(36,928)	(49,099)
Employees’ end of service benefits paid		(12,681)	(19,262)
Net cash flows generated from operating activities*		242,266	162,110
<u>INVESTING ACTIVITIES</u>			
Purchase of property and equipment	4	(39,025)	(63,319)
Purchase of intangible assets		-	(4,659)
Proceeds from sale of property and equipment		1,376	2,908
Proceeds from sale of a subsidiary		2,545	-
Net cash disposed from discontinued operations		360	662
Finance income received		1,996	3,855
Margins and bank deposits		45,155	190,505
Other non-current assets		196	964
Restricted cash		2,743	(7,758)
Dividends from joint ventures		8,728	4,557
Net cash flows generated from investing activities		24,074	127,715

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE (CONTINUED)

	Note	For the six-month period ended 30 June	
		2022 AED "000" Reviewed	2021 AED "000" Reviewed
<u>FINANCING ACTIVITIES</u>			
Finance costs paid		(27,657)	(32,563)
Proceeds from interest-bearing loans and borrowings		6,110	2,137
Repayment of interest-bearing loans and borrowings		(6,930)	(169,019)
Principal repayment of lease liabilities		(146,413)	(137,113)
Dividends paid to shareholders		(190,333)	(190,333)
Dividends paid to non-controlling interests		(740)	(2,395)
Net cash flows used in financing activities		<u>(365,963)</u>	<u>(529,286)</u>
Net decrease in cash and cash equivalents (net of bank overdrafts)*		(99,623)	(239,461)
Net foreign exchange difference		(14,043)	(10,649)
Cash and cash equivalents at 1 January (net of bank overdrafts)*		<u>558,687</u>	<u>907,428</u>
Cash and cash equivalents at 30 June (net of bank overdrafts)*	7	<u>445,021</u>	<u>657,318</u>

* Refer to Note 18 for changes to the comparative.

Non-cash transactions are disclosed in Note 17.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022

1. General

Aramex PJSC (the “Parent Company or Company”) was established as a Public Joint Stock Company on 15 February 2005 and is registered in the Emirate of Dubai, United Arab Emirates under UAE Federal Law No 2 of 2015, as amended. The condensed interim consolidated financial information of the Company as at and for the period ended 30 June 2022 comprise the Parent Company and its subsidiaries (collectively referred to as the “Group” and individually as “Group entities”).

The Parent Company was listed on the Dubai Financial Market on 9 July 2005.

The Principal activities of the Group are to invest in the freight, express, logistics and supply chain management businesses through acquiring and owning controlling interests in companies in the Middle East and other parts of the world.

The Parent Company’s registered office address is Building and Warehouse No. 3, Um Rammool, Dubai, United Arab Emirates.

On 20 September 2021, the UAE Federal Decree Law No. 32 of 2021 ("Companies Law") was issued and came into effect on 2 January 2022 which repealed the UAE Federal Law No. 2 of 2015. The Group has 12 months from 2 January 2022 to comply with the provisions of the UAE Federal Decree Law No. 32 of 2021.

As at 31 December 2021, Alpha Oryx Limited (“Alfa”), a subsidiary of Abu Dhabi Development Holding Company (“ADQ”) owned 22.5% of Aramex PJSC’s issued share capital. On 20 January 2022, Alpha transferred 22.32% of its shares in the Company to Abu Dhabi Ports Company PJSC (“ADP”), which is also a subsidiary of ADQ.

During October 2021, GeoPost, the express parcel arm of French Groupe La Poste, acquired 24.93% of Aramex PJSC’s issued share capital.

The condensed interim consolidated financial information were authorised for issue by the Board of Directors on 10 August 2022.

2. Summary of significant accounting policies

2.1 Basis of preparation

This condensed interim consolidated financial information of the Group is prepared under a historical cost basis adjusted for the effects of inflation where entities operate in hyperinflationary economies, except for financial assets at fair value through other comprehensive income measured at fair value, defined benefit pension plans measured at the present value of future obligations using the Projected Unit Credit Method and assets held for sale which are measured at fair value less cost to sell.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

This condensed interim consolidated financial information does not include all the information and disclosures required in full consolidated financial statements and should be read in conjunction with the annual Group's consolidated financial statements for the year ended 31 December 2021. In addition, results for the period from 1 January 2022 to 30 June 2022 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2022.

This condensed interim consolidated financial information is prepared in accordance with International Accounting Standard 34: '*Interim Financial Reporting*' ("IAS 34"), issued by the International Accounting Standard Board (IASB).

Except for the adoption of new and amended standards as set out below, the accounting policies used in the preparation of this condensed interim consolidated financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

The Lebanese and Turkish economies are considered to be hyperinflationary. Accordingly, the results, cash flows and financial position of the Group's subsidiaries, "Aramex Lebanon SAL" and "Aramex International Hava Kargo ve Keye Anonim Sirketyi" have been expressed in terms of measuring unit current at the reporting date.

2.2 Changes in accounting policies

New and revised IFRS applied in the preparation of the condensed interim consolidated financial information

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2022, have been adopted in this condensed interim consolidated financial information. The application of these revised IFRS, except where stated, have not had any material impact on the amounts reported for the current and prior periods.

- (a) **Property, plant and equipment: proceeds before intended use** – amendments to IAS 16, 'property, plant and equipment' prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.
- (b) **Onerous contracts – cost of fulfilling a contract** – amendments to IAS 37, 'provisions, contingent liabilities and contingent assets' specify which costs a company includes when assessing whether a contract will be loss-making.
- (c) **Annual improvements to IFRS standards 2018-2020** - annual improvements make minor amendments to IFRS 1, 'First-time Adoption of IFRS', IFRS 9, 'Financial instruments', IAS 41, 'Agriculture' and the Illustrative Examples accompanying IFRS 16, 'Leases'
- (d) **Reference to the Conceptual Framework** – amendments to IFRS 3, 'Business combinations' update a reference in IFRS 3 to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies (continued)

New and revised IFRS issued but not yet effective and not early adopted

- (a) IFRS 17, 'Insurance contracts' (deferred until accounting periods starting on 1 January 2023);
- (b) amendments to IAS 12 (effective 1 January 2023);
- (c) amendments to IAS 1 (effective 1 January 2023); and
- (d) amendments to IAS 8 (effective 1 January 2023).

The Group is currently assessing the impact of these standards, and amendments on the future consolidated financial statements of the Group and intends to adopt these, if applicable, when they become effective.

2.3 Basis of consolidation

This condensed interim consolidated financial information incorporates the financial information of Aramex PJSC and entities controlled by Aramex PJSC. Control is achieved where the Company has the power over 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 the amount of the investor's returns.

The condensed interim consolidated financial information comprises the financial information of Aramex PJSC and its subsidiaries. The financial information of the subsidiaries is prepared for the same reporting period as that of Aramex PJSC, using consistent accounting policies except for new accounting policies.

3. Dividends

At the Annual General Meeting of the shareholders held on 21 April 2022, the shareholders approved a cash dividend of 13% for the year ended 31 December 2021 (31 December 2020: cash dividend of 13%) of the issued and paid-up capital amounting to AED 1,464,100 thousand (31 December 2020: AED 1,464,100 thousand). The dividends per share amount to AED 0.13 (31 December 2020: AED 0.13).

4. Property and equipment

During the six-month period ended 30 June 2022, the Group purchased AED 39 million (six-month period ended 30 June 2021: AED 63 million) of various types of property and equipment.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

5. Right of use assets and lease liabilities

During the six-month period ended 30 June 2022, additions for which right of use assets and lease liabilities amounting to AED 204 million were recognised (six-month period ended 30 June 2021: AED 156 million) under various categories.

6. Discontinued operations

(A) Description

(i) Disposal group of assets

On 3 February 2021, the Group entered into a Sale and Purchase Agreement (SPA) to dispose of its 100% equity interest in Information Fort LLC, products of Information Fort LLC, and other group of assets. Information Fort LLC is a leading records and information management provider that operates in the Middle East, North Africa, and Turkey regions.

(ii) Group of assets disposed

As at 30 June 2022, most of the group of assets were sold with effect on 31 August 2021 and 31 January 2022. The related assets and liabilities of the disposed group of assets have been derecognised from the condensed interim consolidated statement of financial position.

(iii) Group of assets held for sale

The remaining group of assets not yet disposed and recorded as assets/liabilities held for sale, are recognised in the condensed interim consolidated statement of profit or loss as discontinued operations. The related assets and liabilities of the group of assets held for sale are classified separately on the condensed interim consolidated statement of financial position. These remaining group of assets are still under process of disposal.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

6. Discontinued operations (continued)

(B) Financial performance of the discontinued operations

Analysis of results of operations discontinued during the period is as follows:

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2022 AED “000” Reviewed	2021 AED “000” Reviewed	2022 AED “000” Reviewed	2021 AED “000” Reviewed
Rendering of services	1,482	44,272	3,389	87,464
Cost of services	(1,088)	(22,333)	(2,269)	(43,271)
Gross profit	<u>394</u>	<u>21,939</u>	<u>1,120</u>	<u>44,193</u>
Selling and marketing expenses	(133)	(2,403)	(265)	(5,052)
Administrative expenses	(121)	(11,154)	(214)	(22,890)
Net impairment loss on financial assets	(61)	(1,356)	(455)	(1,497)
Other expenses	(69)	(169)	(116)	(315)
Operating profit	<u>10</u>	<u>6,857</u>	<u>70</u>	<u>14,439</u>
Finance income	-	97	-	182
Finance expense	(8)	(741)	(35)	(1,527)
Profit before income tax	<u>2</u>	<u>6,213</u>	<u>35</u>	<u>13,094</u>
Income tax expense	(26)	(781)	(51)	(1,767)
(Loss)/profit for the period	<u>(24)</u>	<u>5,432</u>	<u>(16)</u>	<u>11,327</u>
Gain on sale of discontinued operations	-	-	800	-
(Loss)/profit from discontinued operations	<u>(24)</u>	<u>5,432</u>	<u>784</u>	<u>11,327</u>
Other comprehensive income/(loss)	<u>1,699</u>	<u>(4,920)</u>	<u>1,107</u>	<u>(4,076)</u>
Total comprehensive income	<u>1,675</u>	<u>512</u>	<u>1,891</u>	<u>7,251</u>
Total comprehensive income for the period attributable to:				
<i>Equity holders of the Parent Company</i>	1,675	254	1,891	5,986
<i>Non-controlling interests</i>	-	258	-	1,265
	<u>1,675</u>	<u>512</u>	<u>1,891</u>	<u>7,251</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

6. Discontinued operations (continued)

(C) Assets held for sale

The summarised financial position for Information Fort LLC, which is accounted as disposal group classified as held for sale:

	30 June 2022	31 December 2021
	AED “000” Reviewed	AED “000” Audited
Assets		
Non-current assets		
Property and equipment	2,162	2,867
Right of use assets	541	2,868
	<u>2,703</u>	<u>5,735</u>
Current assets		
Accounts receivable, net	1,701	2,867
Other current assets	100	140
Cash and cash equivalents	97	1,908
	<u>1,898</u>	<u>4,915</u>
Total assets	<u>4,601</u>	<u>10,650</u>
Liabilities		
Non-current liabilities		
Employees’ end of service benefits	293	271
Lease liabilities	170	1,118
	<u>463</u>	<u>1,389</u>
Current liabilities		
Trade payables	217	207
Lease liabilities	362	1,608
Other current liabilities	668	1,210
Income tax provision	50	91
	<u>1,297</u>	<u>3,116</u>
Total liabilities	<u>1,760</u>	<u>4,505</u>
Net assets directly associated with disposal group	<u>2,841</u>	<u>6,145</u>

Cash flows from discontinued operations

	For the six-month period ended 30 June	
	2022	2021
	AED “000” Reviewed	AED “000” Reviewed
Net cash (used in)/generated from operating activities	(620)	23,787
Net cash used in investing activities	-	(4,115)
Net cash used in financing activities	(887)	(15,220)
Net cash (outflows)/inflows	<u>(1,507)</u>	<u>4,452</u>

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

6. Discontinued operations (continued)

(D) Sale of a subsidiary

The financial information relating to the discontinued operations as of the date of disposal of the group of assets is set out below:

	31 January 2022	31 August 2021
	AED “000”	AED “000”
Assets		
Non-current assets		
Property and equipment	488	78,891
Right of use assets	1,030	45,843
Goodwill	-	6,438
Other intangible assets	-	892
Deferred tax assets	-	925
	<u>1,518</u>	<u>132,989</u>
Current assets		
Accounts receivable, net	414	31,542
Other current assets	15	21,694
Cash and cash equivalents	1,350	43,430
	<u>1,779</u>	<u>96,666</u>
Total assets	<u>3,297</u>	<u>229,655</u>
Liabilities		
Non-current liabilities		
Employees’ end of service benefits	-	15,393
Lease liabilities	-	38,994
Deferred tax liabilities	-	1,251
	<u>-</u>	<u>55,638</u>
Current liabilities		
Trade payables	-	6,794
Lease liabilities	1,209	8,661
Other current liabilities	343	61,001
Income tax provision	-	2,240
	<u>1,552</u>	<u>78,696</u>
Total liabilities	<u>1,552</u>	<u>134,334</u>
Non-controlling interests	-	3,223
Net assets directly associated with disposal group	<u>1,745</u>	<u>92,098</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
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6. Discontinued operations (continued)

(D) Sale of a subsidiary (continued)

In accordance with the SPA, the management has recorded an amount receivable for AED 47,101 thousand from the remaining balance available in the escrow account, where the Group has made an estimate of potential claims and true-up adjustments on the basis of the available information as at the reporting date and has accordingly recognised a receivable from the escrow account. During the time specified in the SPA and once the adjustments have crystallized as a result of procedures described in the SPA, as well as the result of the Purchaser identifying any amounts that would represent claims as defined in the SPA, those adjustments will be recognised prospectively as changes in estimates in the condensed interim consolidated statement of profit or loss in the period when they take place. As at 31 August 2021, the fair value of the consideration was determined to be AED 335,157 thousand. During February 2022, the Group received an amount of AED 437 thousand as a true-up adjustment to the initial escrow account, recognised as gain in the condensed interim consolidated statement of profit or loss.

The gain on sale of the subsidiary has been calculated as follows at each disposal date:

	31 January 2022 AED “000”	31 August 2021 AED “000”
Consideration received or receivable:		
Cash	2,108	288,056
Receivable	-	47,101
Total disposal consideration	<u>2,108</u>	<u>335,157</u>
Carrying amount of net assets sold (including goodwill recognised at the group level)	<u>(1,745)</u>	<u>(237,327)</u>
Gain on sale before income tax, reclassification of foreign currency translation reserve and costs to sell	363	97,830
Reclassification of foreign currency translation reserve	-	(47,703)
Cash withheld related to products of Information Fort LLC not yet sold	-	(5,104)
Costs to sell	-	(13,415)
Gain on sale after income tax	<u>363</u>	<u>31,608</u>
True-up adjustment	437	-
Total gain on sale after income tax	<u><u>800</u></u>	<u><u>31,608</u></u>

7. Cash and bank balances

	30 June 2022 AED “000” Reviewed	31 December 2021 AED “000” Audited
Cash and cash equivalents	581,872	711,800
Restricted cash, margins and fixed deposits*	<u>10,502</u>	<u>57,641</u>
	<u><u>592,374</u></u>	<u><u>769,441</u></u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

7. Cash and bank balances (continued)

Included within cash at banks are amounts totaling AED 511,614 thousand (31 December 2021: AED 620,536 thousand) of cash held at foreign banks abroad and amounts totaling approximately 81,298 thousand of cash on delivery collected by the Group on behalf of customers, the same balance was recorded as other current liabilities in the condensed interim consolidated statement of financial position (31 December 2021: AED 141,284 thousand).

* Restricted cash, margins and fixed deposits consist of margin deposits against guarantees of AED 7,484 thousand (31 December 2021: AED 7,375 thousand), long-term deposits with maturities greater than 3 months of AED 2,779 thousand (31 December 2021: AED 48,043 thousand) and restricted cash in Lebanese banks amounting to AED 239 thousand (31 December 2021: AED 2,223 thousand) net of expected credit losses.

The movement of cash at banks in Lebanon for the period ended 30 June 2022 and for the year ended 31 December 2021 classified under restricted cash was as follows:

	30 June 2022	31 December 2021
	AED “000”	AED “000”
	Reviewed	Audited
Cash and bank balances	1,265	4,008
Less: impairment for expected credit losses	(1,026)	(1,785)
	<u>239</u>	<u>2,223</u>

Movement on expected credit losses was as follows:

	For the six-month period ended 30 June	
	2022	2021
	AED “000”	AED “000”
	Reviewed	Reviewed
At 1 January	1,785	21,301
(Reversal)/charge for the period	(759)	3,467
At 30 June	<u>1,026</u>	<u>24,768</u>

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NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

7. Cash and bank balances (continued)

For the purpose of the condensed interim consolidated statement of cash flows, cash and cash equivalents consist of:

	For the six-month period ended 30 June	
	2022 AED “000” Reviewed	2021 AED “000” Reviewed
Cash and cash equivalents	581,872	812,440
Less: bank overdrafts	(136,851)	(155,122)
	<u>445,021</u>	<u>657,318</u>

8. Earnings per share

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2022 Reviewed	2021 Reviewed	2022 Reviewed	2021 Reviewed
<i>Profit attributable to the shareholders of Parent Company</i>				
Profit for the period from continuing operations	44,592	60,419	91,087	101,075
(Loss)/profit for the period from discontinued operations	(24)	5,047	784	10,404
	<u>44,568</u>	<u>65,466</u>	<u>91,871</u>	<u>111,479</u>
Weighted average number of shares during the period (shares)	<u>1,464 million</u>	<u>1,464 million</u>	<u>1,464 million</u>	<u>1,464 million</u>
Basic and diluted earnings per share from continuing operations (AED)	<u>0.030</u>	<u>0.041</u>	<u>0.062</u>	<u>0.069</u>
Basic and diluted earnings per share from discontinued operations (AED)	<u>0.000</u>	<u>0.003</u>	<u>0.001</u>	<u>0.007</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

9. Bank overdrafts

The Group maintains overdrafts and lines of credit with various banks. Overdrafts and lines of credit include the following:

	30 June 2022	31 December 2021
	AED “000” Reviewed	AED “000” Audited
Aramex Special Logistics (Citibank)	86,660	100,144
Aramex International LLC (HSBC)	44,368	47,744
Aramex Algeria S.A.L (Citibank)	5,532	4,345
Aramex Tunisia (Arab Bank)	-	546
Aramex Kenya Limited (Citibank)	291	334
	<u>136,851</u>	<u>153,113</u>

10. Segment information

A business segment is a group of assets and processes that jointly engage in the rendering of products or services subject to risks and rewards that are different from those of other business segments, and which are measured according to reports used by the Group's chief operating decision maker.

The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments has been identified collectively as the Group's executive directors.

The Group is comprised of the following operating segments:

- Courier: includes delivery of small packages across the globe to both, retail and wholesale customers, and express delivery of small parcels and pick up and deliver shipments within the country.
- Freight forwarding: includes forwarding of loose or consolidated freight through air, land and ocean transport, warehousing, customer clearance and break-bulk services.
- Logistics: includes warehousing and its management distribution, supply chain management, inventory management as well as other value-added services.
- Other operations: includes visa services, royalties, franchise levy and publication and distribution services.

Management monitors the operating results of the operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Transfer prices between operating segments are on an arm's - length basis in a manner similar to transactions with third parties.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
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10. Segment information (continued)

The following table presents revenue and profit information for each of the Group's operating segments for the six-month periods ended 30 June 2022 and 2021, respectively

	Courier* AED'000	Freight forwarding AED'000	Logistics AED'000	Others AED'000	Total AED'000
Six-month period ended 30 June 2022					
Total revenues from rendering of services**	2,466,231	1,002,515	224,349	112,237	3,805,332
Inter-segment	(618,976)	(178,973)	(487)	(41,375)	(839,811)
Total revenues after elimination**	<u>1,847,255</u>	<u>823,542</u>	<u>223,862</u>	<u>70,862</u>	<u>2,965,521</u>
Gross profit	<u>524,257</u>	<u>109,863</u>	<u>41,707</u>	<u>46,896</u>	<u>722,723</u>
Earnings before interest and tax	<u>92,555</u>	<u>31,878</u>	<u>11,064</u>	<u>3,078</u>	<u>138,575</u>
Depreciation and amortisation	<u>(117,714)</u>	<u>(14,415)</u>	<u>(44,765)</u>	<u>(8,734)</u>	<u>(185,628)</u>
Six-month period ended 30 June 2021					
Total revenues from rendering of services**	2,802,868	750,590	216,318	88,477	3,858,253
Inter-segment	(699,944)	(133,715)	(2,923)	(25,815)	(862,397)
Total revenues after elimination**	<u>2,102,924</u>	<u>616,875</u>	<u>213,395</u>	<u>62,662</u>	<u>2,995,856</u>
Gross profit	<u>610,416</u>	<u>70,786</u>	<u>24,947</u>	<u>41,161</u>	<u>747,310</u>
Earnings before interest and tax	<u>172,420</u>	<u>3,995</u>	<u>615</u>	<u>1,975</u>	<u>179,005</u>
Depreciation and amortisation	<u>(118,985)</u>	<u>(15,381)</u>	<u>(42,558)</u>	<u>(6,625)</u>	<u>(183,549)</u>

* Courier segment includes international express and domestic express.

** Revenues are being recognised when goods are transferred at a point in time.

Transactions between stations are priced and agreed upon rates. All material intergroup transactions have been eliminated on consolidation. The Group doesn't segregate assets and liabilities by business segments, and accordingly, such information is not presented.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

10. Segment information (continued)

The following is a summary of revenue by the Group based geographical location:

	For the six-month period ended	
	30 June	
	2022	2021
	AED “000”	AED “000”
	Reviewed	Reviewed
Revenue		
United Arab Emirates	532,095	441,942
Gulf Cooperation Council excluding United Arab Emirates	636,089	630,578
Middle East, North Africa and Turkey	388,326	386,082
East and South Africa	176,299	157,642
Europe	379,437	391,990
North America	150,946	148,361
North Asia	180,600	320,855
South Asia	258,573	237,331
Oceania	263,156	281,075
	<u>2,965,521</u>	<u>2,995,856</u>

The following is a summary of assets and liabilities by the Group based geographical location:

	30 June	31 December
	2022	2021
	AED “000”	AED “000”
	Reviewed	Audited
Assets		
United Arab Emirates	1,830,398	1,899,450
Gulf Cooperation Council excluding United Arab Emirates	747,707	802,861
Middle East, North Africa and Turkey	619,783	642,291
East and South Africa	164,402	177,303
Europe	565,006	592,904
North America	174,181	160,316
North Asia	137,752	211,145
South Asia	250,596	251,179
Oceania	658,613	662,499
	<u>5,148,438</u>	<u>5,399,948</u>
Non-current assets*		
United Arab Emirates	746,174	765,315
Gulf Cooperation Council excluding United Arab Emirates	323,000	334,843
Middle East, North Africa and Turkey	283,557	279,749
East and South Africa	66,082	68,016
Europe	144,804	160,731
North America	41,387	41,351
North Asia	29,636	36,499
South Asia	55,012	62,367
Oceania	377,869	343,166
	<u>2,067,521</u>	<u>2,092,037</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
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FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

10. Segment information (continued)

	30 June 2022	31 December 2021
	AED “000” Reviewed	AED “000” Audited
Liabilities		
United Arab Emirates	786,078	833,340
Gulf Cooperation Council excluding United Arab Emirates	576,365	598,522
Middle East, North Africa and Turkey	283,938	276,322
East and South Africa	74,663	71,024
Europe	200,874	206,444
North America	89,251	70,480
North Asia	85,299	135,837
South Asia	75,965	78,856
Oceania	441,798	453,130
	<u>2,614,231</u>	<u>2,723,955</u>

* Non-current assets for this purpose consist of property and equipment, other intangible assets, right of use assets, financial assets at fair value through other comprehensive income and investments in joint ventures and associates. Goodwill is allocated to business segments.

11. Related party transactions and balances

Certain related parties (shareholder, directors, and officers of the Group and companies which they control or over which they exert significant influence) were service providers of the Company and its subsidiaries in the ordinary course of business. Such transactions were made on substantially the same terms as with unrelated parties.

Transactions with related parties included in the condensed interim consolidated statement of profit or loss are as follows:

Key management compensation

Compensation of the key management personnel, including executive officers, comprises the following:

	For the six-month period ended 30 June	
	2022	2021
	AED “000” Reviewed	AED “000” Reviewed
Salaries and other short-term benefits	4,598	4,824
Board remuneration	2,120	2,025
End of service benefits	241	167
	<u>6,959</u>	<u>7,016</u>

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11. Related party transactions and balances (continued)

The following table provides the total amount of transactions that have been entered into with related parties during the six-month period ended 30 June 2022 and 2021, as well as balances with related parties as at 30 June 2022 and 31 December 2021:

		Sales to related parties AED'000	Cost from related parties AED'000	Amounts owed by related parties (a) AED'000	Amounts owed to related parties (b) AED'000
Associates:	2022	<u>1,643</u>	<u>854</u>	<u>-</u>	<u>2,348</u>
	2021	<u>7,582</u>	<u>562</u>	<u>4,629</u>	<u>1,432</u>
Joint ventures in which the Parent Company is a venturer:	2022	<u>65,048</u>	<u>222</u>	<u>26,924</u>	<u>10,781</u>
	2021	<u>56,683</u>	<u>372</u>	<u>40,651</u>	<u>-</u>
Related parties and companies controlled by shareholders (c):	2022	<u>75,044</u>	<u>-</u>	<u>22,851</u>	<u>1,154</u>
	2021	<u>8,348</u>	<u>-</u>	<u>36,028</u>	<u>685</u>

(a) These amounts are classified as accounts receivable.

(b) These amounts are classified as accounts payable.

(c) In addition to the existing related parties, included in the above disclosure, balances as at 31 December 2021 and 30 June 2022 and transactions for the period ended 30 June 2022 by the new shareholder, GeoPost, which acquired 24.93% of Aramex PJSC's issued shares during October 2021 as detailed in Note 1.

During 2022, a long-term incentive program has been designed to attract, retain and motivate selective members of Aramex management team.

12. Contingent liabilities and commitments

Guarantees

	30 June 2022 AED "000" Reviewed	31 December 2021 AED "000" Audited
Letters of guarantee	<u>147,757</u>	<u>146,997</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
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12. Contingent liabilities and commitments (continued)

Commitments

On 1 June 2022, the Group entered into a Sale and Purchase Agreement (SPA) to acquire 100% equity securities of “Access Shipping LLC for an approximate value of AED 973 million which is expected to be formalised during the third quarter of 2022 (Note 19).

13. Seasonality of operations

The Group’s business is seasonal in nature. Historically, the Group experienced a decrease in demand for its services in the post-winter holiday and summer vacation seasons. The Group traditionally experiences its highest volumes towards the latter half of the year. The seasonality of the Group’s revenue may cause a variation in its quarterly operating results. However, local Middle East and Islamic holidays vary from year to year and, as a result, the Group’s seasonality may shift over time.

14. Legal claims

The Group is involved in litigations from time-to-time in the ordinary course of business. Legal claims often involve complex issues, actual damages, and other matters. These issues are subject to substantial uncertainties and, therefore, the probability of loss and an estimate of damages are often difficult to determine.

The Group believes that the aggregate provisions recorded for these matters are adequate based upon currently available information as of the reporting date, which may be subject to ongoing revision of existing estimates. However, given the inherent uncertainties related to these claims, the Group could, in the future, incur judgments that could have a material adverse effect on its results of operations, liquidity, financial position or cash flows in any particular period.

As of 30 June 2022, the Group is a defendant in a number of lawsuits amounting to AED 65,078 thousand (31 December 2021: AED 41,942 thousand) representing claims in connection with normal ordinary course of business. Management and its legal advisors believe that the provision recorded of AED 20,956 thousand as of 30 June 2022 is sufficient to meet the obligations that may arise from the lawsuits (31 December 2021: AED 13,350 thousand).

15. Income tax

Aramex PJSC is registered in the United Arab Emirates of where there is no corporate income taxation. Income tax appearing in the condensed interim consolidated statement of profit or loss represents the income tax expense of the Group’s subsidiaries that operate in taxable jurisdictions.

Taxes on income in the interim periods are accrued using the applicable tax rates that would be applicable to the expected total annual profit.

During the three-month period ended 30 June 2022, the Group’s management performed an assessment on deferred tax for the Group’s subsidiaries that operate in taxable jurisdictions. The aforementioned assessment resulted in deferred tax assets of AED 13 million which was recognised in the condensed interim consolidated statement of profit or loss.

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16. COVID-19 impact assessment

In January 2020, the World Health Organization (WHO) announced a global health emergency because of (the “COVID-19 outbreak”) which, in March 2020, was declared as a pandemic based on the rapid increase in exposure and infections across the world. The pandemic nature of this disease has necessitated global travel restrictions and total lockdown in most countries of the world, with negative implications on the global economy and social life. As of 30 June 2022, the Group is continuously monitoring the impact of COVID-19 pandemic on the business, operations and its finances, particularly on the international express costs which was affected mainly due to the transportation restrictions imposed globally.

COVID-19 impact on measurement of ECL

IFRS 9 framework requires the estimation of Expected Credit Loss (“ECL”) based on current and forecast economic conditions. In order to assess ECL under forecast economic conditions, the Group utilises a range of economic scenarios of varying severity, and with appropriate weightings, to ensure that ECL estimates are representative of a range of possible economic outcomes. The Group has reviewed the potential impact of COVID-19 outbreak on the inputs and assumptions for IFRS 9 ECL measurement in light of available information. Overall, the COVID-19 situation remains fluid and is evolving at this point, which makes it challenging to reliably reflect impacts on the ECL estimates.

However, management has performed revised assessments and no material impact has been accounted for in this condensed interim consolidated financial information. These assumptions will be revisited at each reporting date according to the evolution of the situation and the availability of data allowing better estimation.

Liquidity management

The global market stress brought on by the COVID-19 crisis can negatively affect the liquidity. In this environment, the Group has taken measures to manage liquidity risk until the crisis is over. The Group’s credit and treasury department is closely monitoring the cash flows and forecasts.

Business continuity planning

The Group is closely monitoring the situation and has invoked crisis management actions to ensure the safety and security of the Group’s staff as well as uninterrupted customer service. Alternative working arrangements have been made and administrative staff are allowed to work remotely.

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17. Non-cash transactions

	For the six-month period ended 30 June	
	2022 AED "000" Reviewed	2021 AED "000" Reviewed
Additions of right of use assets	203,529	155,918
Disposal of right of use assets	16,550	21,954
Dividends to non-controlling interests	387	-

18. Restricted cash reclassification

As of 30 June 2021, cash and cash equivalents included an amount of AED 55,294 thousand held in Lebanese commercial banks. Cash and cash equivalents are defined as cash on hand, demand deposits and short-term investments that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Given the financial and economic crisis in Lebanon and due to the restrictions imposed by the Lebanese banks, the balances held with banks are considered to be subject to significant increase in credit risk rather than cash on hand or highly liquid investments. The significant credit risk would also indicate there is a significant risk in terms of the changes in value. These balances were reclassified as part of 'Restricted cash, margins and fixed deposits', that is shown separately on the face of the condensed interim consolidated statement of financial position, as they do not meet the definition of cash and cash equivalents. The comparative condensed interim consolidated statement of cash flows was changed in accordance with the requirements of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

The reclassification did not result in any change to the prior period's reported condensed interim consolidated profits.

Condensed interim consolidated statement of cash flows for the six-month period ended 30 June 2021

	As previously reported AED"000"	Reclassification Increase/ (decrease) AED"000"	As reclassified AED"000"
Net cash flows generated from operating activities	161,425	685	162,110
Net cash flows generated from investing activities	135,473	(7,758)	127,715
Cash and cash equivalents at 1 January (net of bank overdrafts)	955,649	(48,221)	907,428
Cash and cash equivalents (net of bank overdrafts)	712,612	(55,294)	657,318

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022 (CONTINUED)

19. Acquisition arrangement

On 1 June 2022, the Group entered into an acquisition arrangement through a Sale and Purchase Agreement (SPA) to acquire 100% equity securities of “Access Shipping LLC”; a cross-border e-commerce platform, providing cost-effective package forwarding solutions to customers for an approximate consideration value of AED 973 million. The completion date for the acquisition is expected in the third quarter of 2022 (Note 12).