

**ARAMEX PJSC AND ITS SUBSIDIARIES**

**UNAUDITED CONDENSED INTERIM  
CONSOLIDATED FINANCIAL INFORMATION**

**FOR THE NINE-MONTH PERIOD ENDED  
30 SEPTEMBER 2022**

## **ARAMEX PJSC AND ITS SUBSIDIARIES**

### **Review report and condensed interim consolidated financial information for the nine-month period ended 30 September 2022**

<b>Contents</b>	<b>Pages</b>
<b>Report on review of condensed interim consolidated financial information</b>	<b>1</b>
<b>Condensed interim consolidated statement of financial position</b>	<b>2</b>
<b>Condensed interim consolidated statement of profit or loss</b>	<b>3</b>
<b>Condensed interim consolidated statement of comprehensive income</b>	<b>4</b>
<b>Condensed interim consolidated statement of changes in equity</b>	<b>5</b>
<b>Condensed interim consolidated statement of cash flows</b>	<b>6 - 7</b>
<b>Notes to the condensed interim consolidated financial information</b>	<b>8 - 25</b>



## 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 September 2022 and the related condensed interim consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, condensed interim consolidated statements of changes in equity and cash flows for the nine-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  
9 November 2022

Murad Alnsour  
Registered Auditor Number 1301  
Dubai, United Arab Emirates



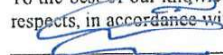
PricewaterhouseCoopers (Dubai Branch), License no. 102451  
Emaar Square, Building 5 P O Box 11987, Dubai - United Arab Emirates  
T: +971 (0)4 304 3100, F: +971 (0)4 346 9150, www.pwc.com/me

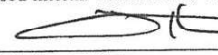
Jacques Fakhoury, Douglas O'Mahony, Murad Alnsour and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy


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

	Note	30 September 2022 AED "000" Reviewed	31 December 2021 AED "000" Audited
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	4	866,980	941,430
Right of use assets	5	894,137	894,266
Goodwill		1,002,568	1,002,568
Other intangible assets		199,184	201,255
Investments in joint ventures and associates		33,022	37,448
Financial assets at fair value through other comprehensive income		17,566	17,638
Deferred tax assets		21,022	8,006
Other non-current assets		3,395	4,115
		3,037,874	3,106,726
<b>Current assets</b>			
Accounts receivable, net		1,095,736	1,219,422
Other current assets		270,663	293,709
Restricted cash, margins and fixed deposits	7	10,684	57,641
Cash and cash equivalents	7	624,511	711,800
		2,001,594	2,282,572
Assets held for sale	6	7,992	10,650
<b>Total assets</b>		5,047,460	5,399,948
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital		1,464,100	1,464,100
Statutory reserve		440,802	440,802
Foreign currency translation reserve		(458,576)	(398,529)
Reserve arising from acquisition of non-controlling interests		(329,759)	(329,759)
Reserve arising from other comprehensive income items		(12,030)	(12,008)
Retained earnings		1,441,751	1,500,570
		2,546,288	2,665,176
Equity attributable to equity holders of the Parent Company		2,546,288	2,665,176
Non-controlling interests		9,252	10,817
<b>Net equity</b>		2,555,540	2,675,993
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings		110,046	137,259
Lease liabilities		774,059	754,933
Employees' end of service benefits		154,912	148,822
Deferred tax liabilities		31,683	42,114
Deferred income		13,870	18,305
		1,084,570	1,101,433
<b>Current liabilities</b>			
Accounts payable		250,080	344,120
Lease liabilities		178,492	180,382
Bank overdrafts	9	157,197	153,113
Interest-bearing loans and borrowings		30,785	27,424
Income tax provision		52,705	62,547
Other current liabilities		732,253	850,431
		1,401,512	1,618,017
Liabilities held for sale	6	5,838	4,505
<b>Total liabilities</b>		2,491,920	2,723,955
<b>Total equity and liabilities</b>		5,047,460	5,399,948

To the best of our knowledge, the 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)

The notes on pages 8 to 25 form an integral part of this condensed interim consolidated financial information.

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

	Note	For the three-month period ended 30 September		For the nine-month period ended 30 September	
		2022	2021	2022	2021
		AED "000" Reviewed	AED "000" Reviewed	AED "000" Reviewed	AED "000" Reviewed
<b>Continuing operations</b>					
Rendering of services		1,426,250	1,461,404	4,391,771	4,457,261
Cost of services		(1,105,423)	(1,105,324)	(3,348,221)	(3,353,870)
<b>Gross profit</b>		<b>320,827</b>	<b>356,080</b>	<b>1,043,550</b>	<b>1,103,391</b>
Selling and marketing expenses		(62,180)	(62,964)	(186,105)	(207,478)
Administrative expenses		(213,023)	(218,002)	(661,323)	(647,788)
Net impairment loss on financial assets		(4,519)	(9,128)	(13,825)	(17,789)
Other income/(expense), net		9,802	(4,579)	4,668	10,076
Gain on property damages and customer goods		-	6,611	2,516	6,611
<b>Operating profit</b>		<b>50,907</b>	<b>68,018</b>	<b>189,481</b>	<b>247,023</b>
Finance income		763	1,374	2,759	5,047
Finance costs		(16,307)	(15,494)	(44,525)	(46,148)
Share of results of joint ventures and associates		944	1,911	8,665	9,205
<b>Profit before income tax</b>		<b>36,307</b>	<b>55,809</b>	<b>156,380</b>	<b>215,127</b>
Income tax credit/(expense)	15	504	(23,812)	(27,580)	(80,867)
<b>Profit for the period from continuing operations</b>		<b>36,811</b>	<b>31,997</b>	<b>128,800</b>	<b>134,260</b>
<b>Discontinued operations</b>					
Period results from discontinued operations	6	1,191	5,037	1,175	16,364
Gain on sale of a subsidiary	6	1,521	31,608	2,321	31,608
<b>Profit after tax for the period from discontinued operations</b>		<b>2,712</b>	<b>36,645</b>	<b>3,496</b>	<b>47,972</b>
<b>Profit for the period</b>		<b>39,523</b>	<b>68,642</b>	<b>132,296</b>	<b>182,232</b>
<b>Attributable to:</b>					
<i>Equity holders of the Parent Company</i>					
Profit for the period from continuing operations		36,931	31,350	128,018	132,425
Profit for the period from discontinued operations		2,712	36,465	3,496	46,869
		<b>39,643</b>	<b>67,815</b>	<b>131,514</b>	<b>179,294</b>
<i>Non-controlling interests</i>					
(Loss)/profit for the period from continuing operations		(120)	647	782	1,835
Profit for the period from discontinued operations		-	180	-	1,103
		<b>(120)</b>	<b>827</b>	<b>782</b>	<b>2,938</b>
<b>Earnings per share attributable to equity holders of the Parent Company</b>					
Basic and diluted earnings per share from continuing operations	8	0.025	0.021	0.087	0.090
Basic and diluted earnings per share from discontinued operations	8	0.002	0.025	0.002	0.032

**ARAMEX PJSC AND ITS SUBSIDIARIES**  
**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER**

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2022 AED "000" Reviewed	2021 AED "000" Reviewed	2022 AED "000" Reviewed	2021 AED "000" Reviewed
Profit for the period	39,523	68,642	132,296	182,232
<b>Other comprehensive income</b>				
<i>Other comprehensive loss to be reclassified to the condensed interim consolidated statement of profit or loss in subsequent periods:</i>				
Exchange differences on translation of foreign operations	(21,545)	(4,943)	(63,538)	(13,555)
Impact of hyperinflation	(2,169)	(31,738)	(8,334)	(31,340)
	<u>(23,714)</u>	<u>(36,681)</u>	<u>(71,872)</u>	<u>(44,895)</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	(43)	(6,277)	(60)	(7,460)
Remeasurements of post-employment benefit obligations through other comprehensive income	28	46	38	46
	<u>(15)</u>	<u>(6,231)</u>	<u>(22)</u>	<u>(7,414)</u>
Other comprehensive loss for the period, net of tax	(23,729)	(42,912)	(71,894)	(52,309)
<b>Total comprehensive income for the period</b>	<u>15,794</u>	<u>25,730</u>	<u>60,402</u>	<u>129,923</u>
<b>Attributable to:</b>				
Equity holders of the Parent Company	16,999	24,993	61,353	129,048
Non-controlling interests	(1,205)	737	(951)	875
	<u>15,794</u>	<u>25,730</u>	<u>60,402</u>	<u>129,923</u>
<b>Total comprehensive income attributable to equity holders of the Parent Company arises from:</b>				
Continuing operations	14,744	(11,472)	57,207	82,179
Discontinued operations	2,255	36,465	4,146	46,869
	<u>16,999</u>	<u>24,993</u>	<u>61,353</u>	<u>129,048</u>

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

	<i>Atributable to equity holders of the Parent Company</i>								
	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 comprehensive income items AED "000"	Retained earnings AED "000"	Total AED "000"	Non- controlling interests AED "000"	Net equity AED "000"
<b>For the nine-month period ended</b>									
<b>30 September 2022</b>									
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	-	-	10,092	-	-	-	10,092	-	10,092
<b>At 1 January 2022 (adjusted)</b>	<b>1,464,100</b>	<b>440,802</b>	<b>(388,437)</b>	<b>(329,759)</b>	<b>(12,008)</b>	<b>1,500,570</b>	<b>2,675,268</b>	<b>10,817</b>	<b>2,686,085</b>
Profit for the period	-	-	(70,139)	-	(22)	131,514	131,514	782	132,296
Other comprehensive loss	-	-	-	-	-	-	(70,161)	(1,733)	(71,894)
Total comprehensive (loss)/income for the period	-	-	(70,139)	-	(22)	131,514	61,353	(951)	60,402
Dividends of subsidiaries	-	-	-	-	-	-	-	(614)	(614)
Dividends to shareholders (note 3)	-	-	-	-	-	(190,333)	(190,333)	-	(190,333)
<b>Balance at 30 September 2022</b>	<b>1,464,100</b>	<b>440,802</b>	<b>(458,576)</b>	<b>(329,759)</b>	<b>(12,030)</b>	<b>1,441,751</b>	<b>2,546,288</b>	<b>9,252</b>	<b>2,555,540</b>
<b>For the nine-month period ended</b>									
<b>30 September 2021</b>									
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	-	-	94,340	-	-	-	94,340	-	94,340
<b>At 1 January 2021 (adjusted)</b>	<b>1,464,100</b>	<b>408,929</b>	<b>(250,085)</b>	<b>(335,186)</b>	<b>(7,064)</b>	<b>1,504,306</b>	<b>2,785,000</b>	<b>16,301</b>	<b>2,801,301</b>
Profit for the period	-	-	-	-	-	179,294	179,294	2,938	182,232
Other comprehensive loss	-	-	(42,832)	-	(7,414)	-	(50,246)	(2,063)	(52,309)
Total comprehensive (loss)/income for the period	-	-	(42,832)	-	(7,414)	179,294	129,048	875	129,923
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	1,102	(1,102)	-	-	-
Disposal of a subsidiary	-	(20,973)	47,702	5,427	1,006	15,004	48,166	(3,223)	44,943
Dividends of subsidiaries	-	-	-	-	-	-	-	(2,389)	(2,389)
Dividends to shareholders (note 3)	-	-	-	-	-	(190,333)	(190,333)	-	(190,333)
<b>Balance at 30 September 2021</b>	<b>1,464,100</b>	<b>387,956</b>	<b>(245,215)</b>	<b>(329,759)</b>	<b>(12,370)</b>	<b>1,507,169</b>	<b>2,771,881</b>	<b>11,564</b>	<b>2,783,445</b>

The notes on pages 8 to 25 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER**

	Note	For the nine-month period ended 30 September	
		2022	2021
		AED "000" Reviewed	AED "000" Reviewed
<b><u>OPERATING ACTIVITIES</u></b>			
Profit before tax from continuing operations		156,380	215,127
Profit before tax from discontinued operations	6	3,625	50,222
<b>Profit before tax</b>		<u>160,005</u>	<u>265,349</u>
<b>Adjustments for</b>			
Depreciation of property and equipment		84,910	85,002
Depreciation of right of use assets		190,684	191,720
Amortisation of other intangible assets		2,071	4,371
Loss/(gain) on sale of property and equipment		10,570	(1,618)
Provision for employees' end of service benefits		25,399	26,981
Net impairment loss on financial assets		13,129	17,774
Finance costs – borrowings		9,911	10,624
Finance costs – lease liabilities		34,715	35,784
Finance income		(2,759)	(5,047)
Gain on sale of a subsidiary	6	(2,321)	(31,608)
Gain on disposal of right of use assets and lease liabilities		(648)	(1,486)
Share of results of joint ventures and associates		(8,665)	(9,205)
		<u>517,001</u>	<u>588,641</u>
<b>Working capital adjustments:</b>			
Accounts receivable		111,542	(31,519)
Accounts payable		(98,662)	(31,622)
Other current assets		12,663	(34,567)
Other current liabilities		(119,567)	(120,889)
Deferred income		(4,435)	18,964
<b>Net cash flows from operating activities before income tax and employees' end of service benefit paid</b>		418,542	389,008
Employees' end of service benefits paid		(18,049)	(24,728)
Income tax paid		(45,335)	(61,465)
<b>Net cash flows generated from operating activities*</b>		<u>355,158</u>	<u>302,815</u>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property and equipment	4	(52,609)	(99,376)
Purchase of intangible assets		-	(5,142)
Proceeds from sale of property and equipment		2,139	5,654
Proceeds from sale of a subsidiary		15,256	289,566
Net cash disposed from discontinued operations		1,621	250
Finance income received		2,759	5,047
Margin and bank deposits		45,142	(120,174)
Other non-current assets		332	1,099
Dividends received from joint ventures		8,728	13,209
Restricted cash		2,754	(5,302)
<b>Net cash flows generated from investing activities*</b>		<u>26,122</u>	<u>84,831</u>



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

	Note	For the nine-month period ended 30 September	
		2022 AED "000" Reviewed	2021 AED "000" Reviewed
<b><u>FINANCING ACTIVITIES</u></b>			
Finance costs paid		(44,034)	(46,408)
Proceeds from loans and borrowings		15,465	3,043
Repayment of loans and borrowings		(16,648)	(286,405)
Principal elements of lease liabilities		(217,222)	(186,889)
Dividends paid to shareholders		(190,333)	(190,333)
Dividends paid to non-controlling interests		(227)	(2,389)
<b>Net cash flows used in financing activities</b>		<u>(452,999)</u>	<u>(709,381)</u>
<b>Net decrease in cash and cash equivalents (net of bank overdrafts)*</b>		(71,719)	(321,735)
Net foreign exchange difference		(19,654)	(7,038)
Cash and cash equivalents at 1 January (net of bank overdrafts)*		<u>558,687</u>	<u>907,428</u>
<b>Cash and cash equivalents at 30 September (net of bank overdrafts)*</b>	7	<u>467,314</u>	<u>578,655</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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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. 32 of 2021. The condensed interim consolidated financial information of the Company as at and for the period ended 30 September 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. As of 30 September 2022, GeoPost owns 28% of Aramex PJSC’s issued share capital.

The condensed interim consolidated financial information was authorised for issue by the Board of Directors on 9 November 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 September 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 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 NINE-MONTH PERIOD ENDED 30 SEPTEMBER 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 are 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 nine-month period ended 30 September 2022, the Group purchased AED 53 million (nine-month period ended 30 September 2021: AED 99 million) of various types of property and equipment.

**5. Right of use assets and lease liabilities**

During the nine-month period ended 30 September 2022, additions for which right of use assets and lease liabilities amounting to AED 262 million were recognised (nine-month period ended 30 September 2021: AED 240 million) under various categories.

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

**6. Discontinued operations**

**(A) Description**

**(i) Disposal group of assets**

On 3 February 2021, the Company 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 September 2022, most of the group of assets were sold with effect on 31 August 2021, 31 January 2022 and 31 July 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.

**(B) Financial performance of the discontinued operation**

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

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2022 AED "000" Reviewed	2021 AED "000" Reviewed	2022 AED "000" Reviewed	2021 AED "000" Reviewed
Rendering of services	1,332	30,856	4,721	118,320
Cost of services	(938)	(15,530)	(3,207)	(58,801)
<b>Gross profit</b>	<b>394</b>	<b>15,326</b>	<b>1,514</b>	<b>59,519</b>
Selling and marketing expenses	(69)	(1,457)	(334)	(6,509)
Administrative expenses	(69)	(7,139)	(283)	(30,011)
Net impairment reversal/(loss) on financial assets	1,152	(630)	696	(2,145)
Other expenses, net	(72)	(199)	(188)	(514)
<b>Operating profit</b>	<b>1,336</b>	<b>5,901</b>	<b>1,405</b>	<b>20,340</b>
Finance income	-	177	-	359
Finance cost	(66)	(557)	(101)	(2,085)
<b>Profit before income tax</b>	<b>1,270</b>	<b>5,521</b>	<b>1,304</b>	<b>18,614</b>
Income tax	(79)	(484)	(129)	(2,250)
<b>Profit for the period</b>	<b>1,191</b>	<b>5,037</b>	<b>1,175</b>	<b>16,364</b>

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

**6. Discontinued operations (continued)**

**(B) Financial performance of the discontinued operation (continued)**

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2022	2021	2022	2021
	AED "000" Reviewed	AED "000" Reviewed	AED "000" Reviewed	AED "000" Reviewed
Gain on sale of discontinued operations	1,521	31,608	2,321	31,608
<b>Profit from discontinued operations</b>	<b>2,712</b>	<b>36,645</b>	<b>3,496</b>	<b>47,972</b>
Other comprehensive income	(457)	-	650	-
<b>Total comprehensive income</b>	<b>2,255</b>	<b>36,645</b>	<b>4,146</b>	<b>47,972</b>
<b>Total comprehensive income for the period attributable to:</b>				
<i>Equity holders of the Parent Company</i>	2,255	36,465	4,146	46,869
<i>Non-controlling interests</i>	-	180	-	1,103
	<b>2,255</b>	<b>36,645</b>	<b>4,146</b>	<b>47,972</b>

**(C) Assets held for sale**

The summarised financial position for Information Fort LLC, which is accounted for as a group of assets classified as held for sale are as follows:

	30 September 2022	31 December 2021
	AED "000" Reviewed	AED "000" Audited
<b>Assets</b>		
<b>Non-current assets</b>		
Property and equipment	1,805	2,867
Right of use assets	4,884	2,868
	<b>6,689</b>	<b>5,735</b>
<b>Current assets</b>		
Accounts receivable, net	944	2,867
Other current assets	72	140
Cash and cash equivalents	287	1,908
	<b>1,303</b>	<b>4,915</b>
<b>Total assets</b>	<b>7,992</b>	<b>10,650</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Employees' end of service benefits	184	271
Lease liabilities	3,140	1,118
	<b>3,324</b>	<b>1,389</b>

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

**6. Discontinued operations (continued)**

**(C) Assets held for sale (continued)**

	30 September 2022 AED "000" Reviewed	31 December 2021 AED "000" Audited
<b>Current liabilities</b>		
Trade payables	223	207
Lease liabilities	1,752	1,608
Other current liabilities	409	1,210
Income tax provision	130	91
	<u>2,514</u>	<u>3,116</u>
<b>Total liabilities</b>	<u>5,838</u>	<u>4,505</u>
<b>Net assets directly associated with disposal group</b>	<u>2,154</u>	<u>6,145</u>

Cash flows from discontinued operations:

	30 September 2022 AED "000" Reviewed	30 September 2021 AED "000" Reviewed
Net cash used in operating activities	(615)	(876)
Net cash generated from investing activities	810	352
Net cash used in financing activities	(1,299)	-
Net cash outflows	<u>(1,104)</u>	<u>(524)</u>

**(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 July 2022 AED "000"	31 January 2022 AED "000"	31 August 2021 AED "000"
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	281	488	78,891
Right of use assets	195	1,030	45,843
Goodwill	-	-	6,438
Other intangible assets	-	-	892
Deferred tax assets	-	-	925
	<u>476</u>	<u>1,518</u>	<u>132,989</u>
<b>Current assets</b>			
Accounts receivable, net	526	414	31,542
Other current assets	8	15	21,694
Cash and cash equivalents	-	1,350	43,430
	<u>534</u>	<u>1,779</u>	<u>96,666</u>
<b>Total assets</b>	<u>1,010</u>	<u>3,297</u>	<u>229,655</u>

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

**6. Discontinued operations (continued)**

**(D) Sale of a subsidiary (continued)**

	31 July 2022 AED "000"	31 January 2022 AED "000"	31 August 2021 AED "000"
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Employees' end of service benefits	115	-	15,393
Lease liabilities	-	-	38,994
Deferred tax liabilities	-	-	1,251
	<u>115</u>	<u>-</u>	<u>55,638</u>
<b>Current liabilities</b>			
Trade payables	301	-	6,794
Lease liabilities	179	1,209	8,661
Other current liabilities	243	343	61,001
Income tax provision	-	-	2,240
	<u>723</u>	<u>1,552</u>	<u>78,696</u>
<b>Total liabilities</b>	<u>838</u>	<u>1,552</u>	<u>134,334</u>
<b>Non-controlling interests</b>	-	-	3,223
<b>Net assets directly associated with disposal group</b>	<u>172</u>	<u>1,745</u>	<u>92,098</u>

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 crystallised 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.

During the three-month period ended 30 September 2022, an amount of AED 11,018 thousand was collected by the Group as a partial settlement of the escrow account. The remaining balance of AED 36,083 thousand is expected to be collected in the next 12 months.



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

**6. Discontinued operations (continued)**

**(D) Sale of a subsidiary (continued)**

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

	31 July 2022	31 January 2022	31 August 2021
	AED "000"	AED "000"	AED "000"
<b>Consideration received or receivable:</b>			
Cash	1,693	2,108	288,056
Receivable	-	-	47,101
<b>Total disposal consideration</b>	<u>1,693</u>	<u>2,108</u>	<u>335,157</u>
Carrying amount of net assets sold (including goodwill recognised at the group level)	<u>(172)</u>	<u>(1,745)</u>	<u>(237,327)</u>
<b>Gain on sale before income tax, reclassification of foreign currency translation reserve and costs to sell</b>	1,521	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)
<b>Gain on sale after income tax</b>	<u>1,521</u>	<u>363</u>	<u>31,608</u>
True-up adjustment	-	437	-
<b>Total gain on sale after income tax</b>	<u><u>1,521</u></u>	<u><u>800</u></u>	<u><u>31,608</u></u>

**7. Cash and bank balances**

	30 September 2022	31 December 2021
	AED "000" Reviewed	AED "000" Audited
Cash and cash equivalents	624,511	711,800
Restricted cash, margins and fixed deposits*	<u>10,684</u>	<u>57,641</u>
	<u><u>635,195</u></u>	<u><u>769,441</u></u>

Included within bank balances are amounts totalling AED 484,952 thousand (31 December 2021: AED 620,536 thousand) of cash held at foreign banks abroad and amounts totalling AED 57,125 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 7,498 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 407 thousand (31 December 2021: AED 2,223 thousand) net of expected credit losses.

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

**7. Cash and bank balances (continued)**

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

	30 September 2022	31 December 2021
	AED "000" Reviewed	AED "000" Audited
Cash and bank balances	1,254	4,008
Less: impairment for expected credit losses	(847)	(1,785)
	<u>407</u>	<u>2,223</u>

Movement on expected credit losses was as follows:

	For the nine-month period ended 30 September	
	2022	2021
	AED "000" Reviewed	AED "000" Reviewed
At 1 January	1,785	21,301
(Reversal)/charge for the period	(938)	2,706
At 30 September	<u>847</u>	<u>24,007</u>

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

	For the nine-month period ended 30 September	
	2022	2021
	AED "000" Reviewed	AED "000" Reviewed
Cash and cash equivalents	624,511	748,783
Less: bank overdrafts	(157,197)	(170,128)
	<u>467,314</u>	<u>578,655</u>

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

**8. Earnings per share**

	For the three-month period ended 30 September		For the nine-month period ended 30 September	
	2022 AED "000" Reviewed	2021 AED "000" Reviewed	2022 AED "000" Reviewed	2021 AED "000" Reviewed
<i>Profit attributable to the shareholders of Parent Company</i>				
Profit for the period from continuing operations	36,931	31,350	128,018	132,425
Profit for the period from discontinued operations	2,712	36,465	3,496	46,869
	<u>39,643</u>	<u>67,815</u>	<u>131,514</u>	<u>179,294</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>0.025</u>	<u>0.021</u>	<u>0.087</u>	<u>0.090</u>
Basic and diluted earnings per share from discontinued operations (AED)	<u>0.002</u>	<u>0.025</u>	<u>0.002</u>	<u>0.032</u>

**9. Bank overdrafts**

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

	30 September 2022 AED "000" Reviewed	31 December 2021 AED "000" Audited
Aramex Special Logistics (Citibank)	100,452	100,144
Aramex International LLC (HSBC)	49,700	47,744
Aramex Algeria S.A.L (Citibank)	4,514	4,345
Aramex Tunisia (Arab Bank)	2,216	546
Aramex Kenya Limited (Citibank)	315	334
	<u>157,197</u>	<u>153,113</u>

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

**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, express delivery of small parcels and pick up and deliver shipments within the country, and related royalty and franchise levies.
- 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, 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.

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

	<b>Courier*</b>	<b>Freight forwarding</b>	<b>Logistics</b>	<b>Others</b>	<b>Total</b>
	AED'000	AED'000	AED'000	AED'000	AED'000
<b>Nine-month period ended 30 September 2022</b>					
Total revenues from rendering of services	3,658,738	1,529,557	335,054	93,642	5,616,991
Inter-segment	(898,448)	(266,484)	(718)	(59,570)	(1,225,220)
Total revenues after elimination	<u>2,760,290</u>	<u>1,263,073</u>	<u>334,336</u>	<u>34,072</u>	<u>4,391,771</u>
Gross profit	<u>794,030</u>	<u>170,736</u>	<u>50,323</u>	<u>28,461</u>	<u>1,043,550</u>
Earnings before interest and tax	<u>112,702</u>	<u>55,527</u>	<u>4,858</u>	<u>16,394</u>	<u>189,481</u>
Depreciation and amortisation	<u>(187,137)</u>	<u>(22,144)</u>	<u>(65,958)</u>	<u>(839)</u>	<u>(276,078)</u>

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

**10. Segment information (continued)**

	<b>Courier*</b> AED'000	<b>Freight forwarding</b> AED'000	<b>Logistics</b> AED'000	<b>Others</b> AED'000	<b>Total</b> AED'000
<b>Nine-month period ended 30 September 2021</b>					
Total revenues from rendering of services	4,191,626	1,141,360	325,452	70,647	5,729,085
Inter-segment	(1,019,050)	(206,485)	(3,612)	(42,677)	(1,271,824)
Total revenues after elimination	<u>3,172,576</u>	<u>934,875</u>	<u>321,840</u>	<u>27,970</u>	<u>4,457,261</u>
Gross profit	<u>932,554</u>	<u>108,997</u>	<u>38,614</u>	<u>23,226</u>	<u>1,103,391</u>
Earnings before interest and tax	<u>214,844</u>	<u>9,635</u>	<u>6,430</u>	<u>16,114</u>	<u>247,023</u>
Depreciation and amortisation	<u>(189,934)</u>	<u>(22,057)</u>	<u>(65,661)</u>	<u>(1,008)</u>	<u>(278,660)</u>

\* Courier segment includes international express and domestic express.

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.

Comparative figures were reclassified between operating segments to match the current presentation of the segment reporting which has changed during the current period to help the chief operating decision maker take the right decisions for business growth in the future. There is no impact on the condensed interim consolidated statement of profit or loss as a result of this change.

The following is a summary of revenue generated by the Group based on customers' geographical location:

	For the nine-month period ended 30 September	
	2022 AED "000" Reviewed	2021 AED "000" Reviewed
<b>Revenue</b>		
United Arab Emirates	802,176	646,456
Gulf Cooperation Council excluding United Arab Emirates	954,714	935,123
Middle East, North Africa and Turkey	581,998	591,635
East and South Africa	263,061	242,320
Europe	550,712	577,845
North America	225,578	214,423
North Asia	236,363	429,759
South Asia	382,210	372,925
Oceania	394,959	446,775
	<u>4,391,771</u>	<u>4,457,261</u>

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

**10. Segment information (continued)**

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

	30 September 2022	31 December 2021
	AED "000" Reviewed	AED "000" Audited
<b>Assets</b>		
United Arab Emirates	1,883,635	1,899,450
Gulf Cooperation Council excluding United Arab Emirates	724,163	802,861
Middle East, North Africa and Turkey	606,841	642,291
East and South Africa	156,106	177,303
Europe	520,573	592,904
North America	154,913	160,316
North Asia	117,199	211,145
South Asia	248,678	251,179
Oceania	635,352	662,499
	<u>5,047,460</u>	<u>5,399,948</u>
<b>Non-current assets*</b>		
United Arab Emirates	722,155	765,315
Gulf Cooperation Council excluding United Arab Emirates	313,019	334,843
Middle East, North Africa and Turkey	278,315	279,749
East and South Africa	58,719	68,016
Europe	137,846	160,731
North America	39,329	41,351
North Asia	26,129	36,499
South Asia	72,649	62,367
Oceania	362,728	343,166
	<u>2,010,889</u>	<u>2,092,037</u>
<b>Liabilities</b>		
United Arab Emirates	776,383	833,340
Gulf Cooperation Council excluding United Arab Emirates	562,728	598,522
Middle East, North Africa and Turkey	263,617	276,322
East and South Africa	69,076	71,024
Europe	184,687	206,444
North America	76,427	70,480
North Asia	55,779	135,837
South Asia	92,759	78,856
Oceania	410,464	453,130
	<u>2,491,920</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.

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

**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 nine-month period ended 30 September	
	2022 AED "000" Reviewed	2021 AED "000" Reviewed
Salaries and other short-term benefits	6,368	5,019
Board remuneration	3,180	3,038
End of service benefits	351	(44)
	<u>9,899</u>	<u>8,013</u>

The following table provides the total amount of transactions that have been entered into with related parties during the nine-month period ended 30 September 2022 and 2021, as well as balances with related parties as at 30 September 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
<b>Associates:</b>				
2022	<u>2,408</u>	<u>1,435</u>	<u>294</u>	<u>2,146</u>
2021	<u>14,404</u>	<u>855</u>	<u>4,629</u>	<u>1,432</u>
<b>Joint ventures in which the Parent Company is a venturer:</b>				
2022	<u>82,382</u>	<u>353</u>	<u>9,691</u>	<u>8,536</u>
2021	<u>96,743</u>	<u>499</u>	<u>40,651</u>	<u>-</u>
<b>Related parties and companies controlled by shareholders (c):</b>				
2022	<u>97,053</u>	<u>-</u>	<u>17,909</u>	<u>2,138</u>
2021	<u>9,614</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.

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

**11. Related party transactions and balances** (continued)

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

During 2022, a long-term incentive program has been introduced to attract, retain and motivate selective members of Aramex management team. An amount of AED 770 thousand was provided for during the 9-month period ended 30 September 2022.

**12. Contingent liabilities and commitments**

**Guarantees**

	30 September 2022	31 December 2021
	AED "000" Reviewed	AED "000" Audited
Letters of guarantee	146,326	146,997

**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 a cash consideration value of AED 973 million which has been formalised subsequent to period end, on 18 October 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.



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

---

**14. Legal claims** (continued)

As of 30 September 2022, the Group is a defendant in a number of lawsuits amounting to AED 71,831 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 31,255 thousand as of 30 September 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 operates in taxable jurisdiction.

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 nine-month period ended 30 September 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.

**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 September 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.

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

**16. COVID-19 impact assessment** (continued)

*COVID-19 impact on measurement of ECL* (continued)

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.

**17. Non-cash transactions**

	For the nine-month period ended 30 September	
	2022	2021
	AED "000"	AED "000"
	Reviewed	Reviewed
Additions of right of use assets	262,368	239,761
Disposal of right of use assets	25,098	30,072
Dividends to non-controlling interests	387	-

**18. Restricted cash reclassification**

As of 30 September 2021, cash and cash equivalents included an amount of AED 53,553 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".

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

**18. Restricted cash reclassification (continued)**

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 nine-month period ended 30 September 2021*

	As previously reported AED"000"	Reclassification decrease AED"000"	As reclassified AED"000"
Net cash flows generated from operating activities	304,331	(30)	304,301
Net cash flows generated from investing activities	90,133	(5,302)	84,831
Cash and cash equivalents at 1 January (net of bank overdrafts)	955,649	(48,221)	907,428
Cash and cash equivalents at 30 September (net of bank overdrafts)	632,208	(53,553)	578,655

Comparative figures for the consolidated statement of profit or loss have been adjusted to conform with changes in presentation in the current period. The amounts reclassified are immaterial to the condensed interim consolidated financial information.

**19. Subsequent event**

On 1 June 2022, the Group entered into an acquisition agreement 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 a cash consideration of AED 973 million (Note 12).

The completion date of the SPA was on 18 October 2022. The financial effects of the above transaction have not been brought to account at 30 September 2022. The operating results and assets and liabilities of Access Shipping LLC will be brought to account from 18 October 2022.

At the time the condensed interim consolidated financial information was authorised for issue, the Group had not yet completed the accounting for the acquisition. As such, the financial effect of the transaction cannot be disclosed accurately.