

# **ARAMEX PJSC AND ITS SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS**

**31 MARCH 2024**



**Ernst & Young Middle East**  
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## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF ARAMEX PJSC**

### **Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Aramex PJSC (the “Company”) and its subsidiaries (collectively the “Group”), which comprise the interim condensed consolidated statement of financial position as at 31 March 2024, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements 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 the 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 interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

### **Other matter**

The consolidated financial statements of the Group for the year ended 31 December 2023 and the interim condensed consolidated financial statements for the period ended 31 March 2023 were audited and reviewed by another auditor who expressed an unqualified opinion and an unqualified conclusion on them on 8 February 2024 and 11 May 2023 respectively.

For Ernst & Young

Signed by:  
Ashraf Abu-Sharkh  
Partner  
Registration No.: 690

9 May 2024

Dubai, United Arab Emirates

## Aramex PJSC and its Subsidiaries

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024 (Unaudited)

	Notes	31 March 2024 AED '000 (Unaudited)	31 December 2023 AED '000 Audited
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	4	854,717	881,142
Right of use assets	5	841,862	863,982
Goodwill		1,771,402	1,750,191
Other intangible assets		313,626	309,935
Investments in joint ventures and associates		35,055	35,007
Financial assets at fair value through other comprehensive income		17,750	17,574
Deferred tax assets		28,815	26,110
Other non-current assets		10,829	7,019
		<u>3,874,056</u>	<u>3,890,960</u>
<b>Current assets</b>			
Accounts receivable, net		1,063,943	1,090,468
Other current assets		287,728	266,304
Bank balances and cash	6	571,235	575,210
		<u>1,922,906</u>	<u>1,931,982</u>
Assets held for sale		4,221	4,898
<b>TOTAL ASSETS</b>		<u>5,801,183</u>	<u>5,827,840</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital		1,464,100	1,464,100
Statutory reserve		500,814	500,814
Foreign currency translation reserve		(585,987)	(560,017)
Reserve arising from acquisition of non-controlling interests		(336,986)	(336,986)
Reserve arising from other comprehensive income items		(11,835)	(12,015)
Retained earnings		1,452,035	1,405,470
		<u>2,482,141</u>	<u>2,461,366</u>
<b>Equity attributable to equity holders of the Parent</b>		<u>2,482,141</u>	<u>2,461,366</u>
Non-controlling interests		6,394	6,554
<b>Total equity</b>		<u>2,488,535</u>	<u>2,467,920</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Interest-bearing loans and borrowings		1,030,809	1,067,335
Lease liabilities		741,382	771,906
Employees' end of service benefits		177,289	169,968
Deferred tax liabilities		34,304	36,198
Other non-current liabilities		11,846	13,002
		<u>1,995,630</u>	<u>2,058,409</u>
<b>Current liabilities</b>			
Bank overdrafts	8	5,039	2,848
Accounts payable		330,174	326,364
Lease liabilities		171,720	176,680
Interest-bearing loans and borrowings		37,828	48,505
Provisions		42,215	47,674
Other current liabilities		681,516	659,839
Income tax provision		45,966	36,676
		<u>1,314,458</u>	<u>1,298,586</u>
Liabilities held for sale		2,560	2,925
<b>TOTAL LIABILITIES</b>		<u>3,312,648</u>	<u>3,359,920</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>5,801,183</u>	<u>5,827,840</u>



Mohamed Juma Alshamsi  
(Chairman)



Othman Aljeda  
(Chief Executive Officer)



Nicolas Sibuet  
(Chief Financial Officer)

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

## Aramex PJSC and its Subsidiaries

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 31 March 2024 (Unaudited)


	Note	Three months ended	
		31 March	31 March
		2024	2023
		AED '000	AED '000
<b>Continuing operations</b>			
Rendering of services		1,540,701	1,431,496
Cost of services		(1,145,300)	(1,073,496)
<b>Gross profit</b>		<b>395,401</b>	<b>358,000</b>
Selling and marketing expenses		(81,061)	(71,390)
Administrative expenses		(218,744)	(209,421)
Net impairment loss on financial assets		(6,240)	(12,899)
Other income (expenses), net		3,051	(1,290)
<b>Operating profit</b>		<b>92,407</b>	<b>63,000</b>
Finance income		1,019	2,436
Finance costs		(31,352)	(30,466)
Share of results of joint ventures and associates		692	490
<b>Profit before income tax from continuing operations</b>		<b>62,766</b>	<b>35,460</b>
Income tax expense		(15,742)	(10,898)
<b>Profit for the period from continuing operations</b>		<b>47,024</b>	<b>24,562</b>
<b>Discontinued operations</b>			
Loss after tax for the period from discontinued operations		(284)	(360)
<b>Profit for the period</b>		<b>46,740</b>	<b>24,202</b>
<b>Attributable to:</b>			
<i>Equity holders of the Parent</i>			
Profit for the period from continuing operations		46,849	24,269
Loss for the period from discontinued operations		(284)	(360)
		<b>46,565</b>	<b>23,909</b>
<i>Non-controlling interests</i>			
Profit for the period from continuing operations		175	293
Profit for the period from discontinued operations		-	-
		<b>175</b>	<b>293</b>
<b>Earnings per share attributable to the equity holders of the Parent</b>			
Basic and diluted earnings per share from continuing operations	7	<b>AED 0.032</b>	AED 0.0166
Basic and diluted earnings per share from discontinued operations	7	<b>AED (0.0002)</b>	AED (0.0002)



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## Aramex PJSC and its Subsidiaries

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2024 (Unaudited)

	<i>Three months ended</i>	
	<i>31 March 2024 AED '000</i>	<i>31 March 2023 AED '000</i>
<b>Profit for the period</b>	<b>46,740</b>	24,202
<b>Other comprehensive income</b>		
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Exchange differences on translation of foreign operations	<b>(23,676)</b>	(11,700)
Impact of hyperinflation	<b>6,159</b>	1,912
	<b>(17,517)</b>	(9,788)
<i>Other comprehensive income will not be reclassified to profit or loss in subsequent periods (net of tax):</i>		
Gain / (loss) on debt instruments at fair value through other comprehensive income	<b>179</b>	(7)
Remeasurements gain on defined benefit plans	<b>1</b>	5
	<b>180</b>	(2)
<b>Other comprehensive loss for the period, net of tax</b>	<b>(17,337)</b>	(9,790)
<b>Total comprehensive income for the period</b>	<b>29,403</b>	14,412
<b>Attributable to:</b>		
Equity holders of the Parent	<b>29,563</b>	14,397
Non-controlling interests	<b>(160)</b>	15
	<b>29,403</b>	14,412

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

## Aramex PJSC and its Subsidiaries

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2024 (Unaudited)

	<b>Attributable to equity holders of the Parent</b>								<i>Total equity</i> AED '000
	<i>Share capital</i> AED '000	<i>Statutory reserve</i> AED '000	<i>Foreign currency translation reserve</i> AED '000	<i>Reserve arising from acquisition of non-controlling interests</i> AED '000	<i>Reserve arising from other comprehensive income items</i> AED '000	<i>Retained earnings</i> AED '000	<i>Total</i> AED '000	<i>Non-controlling interests</i> AED '000	
<b>Three-month period ended 31 March 2024</b>									
At 1 January 2024	1,464,100	500,814	(560,017)	(336,986)	(12,015)	1,405,470	2,461,366	6,554	2,467,920
Impact of hyperinflation	-	-	(8,788)	-	-	-	(8,788)	-	(8,788)
<b>At 1 January 2024 (adjusted)</b>	<b>1,464,100</b>	<b>500,814</b>	<b>(568,805)</b>	<b>(336,986)</b>	<b>(12,015)</b>	<b>1,405,470</b>	<b>2,452,578</b>	<b>6,554</b>	<b>2,459,132</b>
Profit for the period	-	-	-	-	-	46,565	46,565	175	46,740
Other comprehensive income	-	-	(17,182)	-	180	-	(17,002)	(335)	(17,337)
Total comprehensive income for the period	-	-	(17,182)	-	180	46,565	29,563	(160)	29,403
<b>Balance at 31 March 2024</b>	<b>1,464,100</b>	<b>500,814</b>	<b>(585,987)</b>	<b>(336,986)</b>	<b>(11,835)</b>	<b>1,452,035</b>	<b>2,482,141</b>	<b>6,394</b>	<b>2,488,535</b>

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

Aramex PJSC and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the period ended 31 March 2024 (Unaudited)

	<b>Attributable to equity holders of the Parent</b>								
	<i>Share capital</i>	<i>Statutory reserve</i>	<i>Foreign currency translation reserve</i>	<i>Reserve arising from acquisition of non-controlling interests</i>	<i>Reserve arising from other comprehensive income items</i>	<i>Retained earnings</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Total equity</i>
	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>	<i>AED '000</i>
<b>Three-month period ended 31 March 2023</b>									
At 1 January 2023	1,464,100	471,734	(529,432)	(329,908)	(11,804)	1,444,833	2,509,523	8,865	2,518,388
Impact of hyperinflation	-	-	(8,547)	-	-	-	(8,547)	-	(8,547)
<b>At 1 January 2023 (adjusted)</b>	<b>1,464,100</b>	<b>471,734</b>	<b>(537,979)</b>	<b>(329,908)</b>	<b>(11,804)</b>	<b>1,444,833</b>	<b>2,500,976</b>	<b>8,865</b>	<b>2,509,841</b>
Profit for the period	-	-	-	-	-	23,909	23,909	293	24,202
Other comprehensive loss	-	-	(9,510)	-	(2)	-	(9,512)	(278)	(9,790)
Total comprehensive income for the period	-	-	(9,510)	-	(2)	23,909	14,397	15	14,412
<b>Balance at 31 March 2023</b>	<b>1,464,100</b>	<b>471,734</b>	<b>(547,489)</b>	<b>(329,908)</b>	<b>(11,806)</b>	<b>1,468,742</b>	<b>2,515,373</b>	<b>8,880</b>	<b>2,524,253</b>

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

## Aramex PJSC and its Subsidiaries

### INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2024 (Unaudited)

	<i>Notes</i>	<i>Three months ended</i>	
		<i>31 March</i>	<i>31 March</i>
		<i>2024</i>	<i>2023</i>
		<i>AED '000</i>	<i>AED '000</i>
<b>OPERATING ACTIVITIES</b>			
Profit before tax from continuing operations		<b>62,766</b>	35,460
Loss before tax from discontinued operations		<b>(316)</b>	(378)
<b>Profit before tax</b>		<b>62,450</b>	35,082
<b>Adjustments for:</b>			
Depreciation of property and equipment		<b>28,592</b>	27,880
Depreciation of right of use assets		<b>57,192</b>	59,381
Amortisation of other intangible assets		<b>3,472</b>	3,398
(Gain) loss on disposal of property and equipment		<b>(159)</b>	171
Provision for employees' end of service benefits		<b>11,456</b>	6,861
Net impairment loss on financial assets		<b>5,950</b>	13,019
Finance costs – borrowings		<b>18,588</b>	18,787
Finance costs – lease liabilities		<b>12,796</b>	11,734
Finance income		<b>(1,019)</b>	(2,436)
Gain on disposal of right of use assets and lease liabilities		<b>(136)</b>	(65)
Share of results of joint ventures and associates		<b>(692)</b>	(490)
		<b>198,490</b>	173,322
Working capital adjustments:			
Accounts receivable		<b>20,825</b>	3,774
Other current assets		<b>(22,913)</b>	(22,887)
Accounts payables		<b>3,806</b>	(12,651)
Provisions		<b>(5,459)</b>	(3,700)
Other current liabilities		<b>20,215</b>	1,975
Other non-current liabilities		<b>(1,156)</b>	(1,617)
<b>Cash from operations</b>		<b>213,808</b>	138,216
Income tax paid		<b>(2,084)</b>	(4,201)
Employees' end of service benefits paid		<b>(4,082)</b>	(6,805)
<b>Net cash flows from operating activities</b>		<b>207,642</b>	127,210
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment	4	<b>(26,779)</b>	(20,327)
Proceeds from sale of property and equipment		<b>2,010</b>	1,975
Proceeds from sale of a subsidiary		-	36,083
Purchase of intangible assets		<b>(1,560)</b>	-
Acquisition of a subsidiary	3	<b>(21,379)</b>	-
Finance income received		<b>1,019</b>	2,436
Other non-current assets		<b>(3,810)</b>	377
Restricted cash		<b>(5)</b>	(117)
Margins deposits		<b>80</b>	165
Fixed deposits		<b>215</b>	22
<b>Net cash flows (used in) from investing activities</b>		<b>(50,209)</b>	20,614

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.



Aramex PJSC and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the period ended 31 March 2024 (Unaudited)

	Notes	<i>Three months ended</i>	
		<i>31 March</i>	<i>31 March</i>
		<i>2024</i>	<i>2023</i>
		<i>AED '000</i>	<i>AED '000</i>
<b>FINANCING ACTIVITIES</b>			
Finance costs paid		(33,979)	(28,779)
Proceeds from interest-bearing loans and borrowings		33,390	25,482
Repayment of interest-bearing loans and borrowings		(70,589)	(18,008)
Principal elements of lease liabilities		(91,996)	(84,606)
<b>Net cash flows used in financing activities</b>		<b>(163,174)</b>	<b>(105,911)</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(5,741)</b>	41,913
Net foreign exchange (loss)/ gain		(130)	1,394
Cash and cash equivalents at 1 January		564,341	627,600
<b>Cash and cash equivalents at 31 March</b>	6	<b>558,470</b>	<b>670,907</b>

The accompanying notes from 1 to 14 form an integral part of these interim condensed consolidated financial statements.

# Aramex PJSC and its Subsidiaries

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## NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

### 1 ACTIVITIES

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. This interim condensed consolidated financial information of the Company as at and for the period ended 31 March 2024 comprises 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.

As at 31 March 2024, the major shareholders of Aramex PJSC are:

- GeoPost, the express parcel arm of French Groupe La Poste which owns 28% of Aramex PJSC’s issued share capital.
- Abu Dhabi Ports Company PJSC (“ADP”), a subsidiary of Abu Dhabi Developmental Holding Company (“ADQ”) which owns 22.32% of Aramex PJSC’s issued share capital.

This interim condensed consolidated financial statement was authorised for issue by the Board of Directors on 9 May 2024.

### 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

#### BASIS OF PREPARATION

The interim condensed consolidated financial statements for the three months ended 31 March 2024 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2023. In addition, results for the three-month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

The Group has prepared the financial statements on the basis that it will continue to operate as a going concern. The Directors consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future, and not less than 12 months from the end of the reporting period.

## Aramex PJSC and its Subsidiaries

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

## 2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES (CONTINUED)

### NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED BY THE GROUP

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards effective as of 1 January 2024.

#### **SUPPLIER FINANCE ARRANGEMENTS - AMENDMENTS TO IAS 7 AND IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

#### **AMENDMENTS TO IFRS 16: LEASE LIABILITY IN A SALE AND LEASEBACK**

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

The amendments had no impact on the Group's interim condensed consolidated financial statements.

#### **AMENDMENTS TO IAS 1: CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT**

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

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

The amendments had no impact on the Group's interim condensed consolidated financial statements.

## Aramex PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

#### 3 BUSINESS COMBINATIONS

##### Aramex (Melbourne)

On 29 January 2024, the Group entered into an acquisition arrangement through a Business and Asset Sale Agreement (“BASA”) to acquire 4th Dimension Transport named as “Aramex (Melbourne)”; a regional franchise of a courier and freight logistics.

The acquisition has been accounted for using the acquisition method and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at fair value on the acquisition date.

The provisional fair value of the identifiable assets and liabilities of Aramex (Melbourne), as at the date of acquisition were:

	<i>Provisional Fair values recognised on acquisition AED '000</i>
<b>Assets</b>	
Intangible assets (customer relationships)	3,308
Property and equipment	115
Other current assets	79
	<u>3,502</u>
<b>Liabilities</b>	
Other current liabilities	3,335
	<u>3,335</u>
<b>Total identifiable net assets of fair value</b>	167
Purchase consideration	<u>(21,379)</u>
Goodwill arising on acquisition (provisional)*	<u>21,212</u>

\* The intangible assets may be subsequently adjusted with a corresponding adjustment to goodwill. Group management believes that the adjustments will be not material. The goodwill of AED 21,212 thousand recognized is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Aramex (Melbourne) with those of the Group.

From the date of acquisition, Aramex (Melbourne) has contributed AED 26,228 thousand of revenue and a loss of AED 9 thousand to the net profit before tax from the continuing operations of the Group. If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been AED 36,337 thousand and the loss from continuing operations for the period would have been AED 143 thousand.

Transaction costs of AED 704 thousand have been expensed and are included in administrative expenses in statement of profit or loss and are part of operating cash flows in the statement of cash flows.

## Aramex PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

#### 4 PROPERTY AND EQUIPMENT

During the three-month period ended 31 March 2024, the Group acquired assets with a cost of AED 26.8 million (three-month period ended 31 March 2023: AED 20.3 million).

#### 5 RIGHT OF USE ASSETS AND LEASE LIABILITIES

During the three-month period ended 31 March 2024, the Group made additions of right of use assets and lease liabilities of AED 59 million under various categories (three-month period ended 31 March 2023: AED 119 million).

#### 6 BANK BALANCES AND CASH

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

	<i>31 March 2024 AED '000 Unaudited</i>	<i>31 December 2023 AED '000 Audited</i>
Bank balances and cash	571,235	575,210
Less:		
Margin deposits	6,077	6,157
Bank overdrafts	5,039	2,848
Fixed Deposits*	1,649	1,864
Restricted cash**	-	-
<b>Cash and cash equivalents</b>	<b>558,470</b>	<b>564,341</b>

Included within bank balances and cash amounts totalling AED 449,908 thousand (31 December 2023: AED 426,753 thousand) held at foreign banks abroad, and amounts totalling approximately AED 53,021 thousand of cash on delivery collected by the Group on behalf of customers, the same balance was recorded as other current liabilities in the interim condensed consolidated statement of financial position (31 December 2023: AED 53,468 thousand).

\* Long-term deposits with maturities greater than 3 months accrue interest at prevailing market rates.

\*\* The details of cash at banks in Lebanon 31 March 2024 and 31 December 2023 classified under restricted cash was as follows:

	<i>31 March 2024 AED '000 Unaudited</i>	<i>31 December 2023 AED '000 Audited</i>
Restricted cash	186	181
Less: impairment for expected credit losses	(186)	(181)
	-	-

Movement on expected credit losses was as follows:

	<i>For the three-month period ended 31 March</i>	
	<i>2024 AED '000 Unaudited</i>	<i>2023 AED '000 Unaudited</i>
At 1 January	181	38
Charge for the period	5	119
At 31 March	<b>186</b>	<b>157</b>

## Aramex PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

#### 7 EARNING PER SHARE

	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2024</b>	<b>2023</b>
	<i>AED '000</i>	<i>AED '000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Profit attributable to the shareholders of the Parent Company		
Profit for the period from continuing operations (AED '000)	<b>46,849</b>	24,269
Loss for the period from discontinued operations (AED '000)	<b>(284)</b>	(360)
	<b>46,565</b>	23,909
Weighted average number of shares during the period (shares)	<b>1,464 million</b>	1,464 million
Basic and diluted earnings per share from continuing operations (AED)	<b>0.032</b>	0.0166
Basic and diluted earnings per share from discontinued operations (AED)	<b>(0.0002)</b>	(0.0002)

#### 8 BANK OVERDRAFTS

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

	<i>31 March</i>	<i>31 December</i>
	<b>2024</b>	<b>2023</b>
	<i>AED '000</i>	<i>AED '000</i>
	<i>Unaudited</i>	<i>Audited</i>
Aramex Tunisia (Arab Bank)	<b>3,183</b>	608
Aramex Algeria S.A.L. (Citi Bank)	<b>1,519</b>	2,240
Aramex Kenya Limited (Citi Bank)	<b>337</b>	-
	<b>5,039</b>	2,848

#### 9 SEGMENT INFORMATION

For management purposes, the Group has identified four reportable segments of its business:

- 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.

## Aramex PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

#### 9 SEGMENT INFORMATION (CONTINUED)

The following table presents revenue and profit information for each of the Group's operating segments for the three-month-period ended 31 March 2024 and 2023, respectively:

	<b>Courier*</b> AED '000	<b>Freight forwarding</b> AED '000	<b>Logistics</b> AED '000	<b>Other operations</b> AED '000	<b>Total</b> AED '000
<b>Three-month period ended 31 March 2024</b>					
Total revenues from rendering of services	<b>1,374,568</b>	<b>476,057</b>	<b>106,936</b>	<b>30,384</b>	<b>1,987,945</b>
Inter-segment	<b>(348,558)</b>	<b>(77,518)</b>	<b>(332)</b>	<b>(20,836)</b>	<b>(447,244)</b>
Total revenues after elimination	<b>1,026,010</b>	<b>398,539</b>	<b>106,604</b>	<b>9,548</b>	<b>1,540,701</b>
Gross profit	<b>313,959</b>	<b>56,532</b>	<b>16,330</b>	<b>8,580</b>	<b>395,401</b>
Earnings before interest and tax	<b>78,936</b>	<b>12,395</b>	<b>(1,301)</b>	<b>2,377</b>	<b>92,407</b>
Depreciation and amortization charged on operating expenses	<b>32,946</b>	<b>2,899</b>	<b>20,390</b>	<b>4</b>	<b>56,239</b>
Depreciation and amortization charged on general and administrative expenses	<b>25,227</b>	<b>4,317</b>	<b>2,547</b>	<b>437</b>	<b>32,528</b>
<b>Three-month period ended 31 March 2023</b>					
Total revenues from rendering of services	1,185,213	456,661	107,248	30,156	1,779,278
Inter-segment	(256,980)	(71,229)	(204)	(19,369)	(347,782)
Total revenues after elimination	928,233	385,432	107,044	10,787	1,431,496
Gross profit	271,432	61,151	16,203	9,214	358,000
Earnings before interest and tax	37,804	20,526	2,150	2,520	63,000
Depreciation and amortization charged on operating expenses	28,836	2,894	20,334	9	52,073
Depreciation and amortization charged on general and administrative expenses	30,803	4,257	2,404	625	38,089

\* Courier segment includes international express, domestic express, and operations of Access Shipping LLC.

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

## Aramex PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

#### 9 SEGMENT INFORMATION (CONTINUED)

##### Industry segment and geographical allocation

The business segments are managed on a worldwide basis, but operate in five principal geographical areas, Middle East and Africa, Europe, North America, Asia and others. In presenting information on the geographical segments, segment revenue is based on the geographical location of customers. Segments assets are based on the location of the assets.

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

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED '000</i>	<i>AED '000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
<b>Revenues</b>		
United Arab Emirates	<b>253,401</b>	248,876
Gulf Cooperation Council excluding United Arab Emirates	<b>349,049</b>	317,961
Middle East, North Africa and Turkey	<b>280,487</b>	174,155
East and South Africa	<b>62,247</b>	84,354
Europe	<b>170,237</b>	194,734
North America	<b>132,718</b>	151,936
North Asia	<b>32,772</b>	35,890
South Asia	<b>106,922</b>	98,532
Oceania	<b>152,868</b>	125,058
	<b>1,540,701</b>	1,431,496

The following is a summary of the Group's assets and liabilities based on geographical location:

	<i>31 March</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>AED '000</i>	<i>AED '000</i>
	<i>Unaudited</i>	<i>Audited</i>
<b>Assets</b>		
United Arab Emirates	<b>1,715,406</b>	1,701,890
Gulf Cooperation Council excluding United Arab Emirates	<b>711,994</b>	691,049
Middle East, North Africa and Turkey	<b>589,610</b>	647,205
East and South Africa	<b>142,043</b>	137,475
Europe	<b>530,229</b>	530,342
North America	<b>1,097,931</b>	1,105,754
North Asia	<b>43,721</b>	49,336
South Asia	<b>253,462</b>	264,353
Oceania	<b>716,787</b>	700,436
	<b>5,801,183</b>	5,827,840



## Aramex PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

#### 9 SEGMENT INFORMATION (CONTINUED)

##### Industry segment and geographical allocation (continued)

	<i>31 March 2024 AED '000 Unaudited</i>	<i>31 December 2023 AED '000 Audited</i>
<b>Non-current assets*</b>		
United Arab Emirates	665,330	676,566
Gulf Cooperation Council excluding United Arab Emirates	308,658	321,473
Middle East, North Africa and Turkey	226,407	247,521
East and South Africa	54,353	49,510
Europe	151,236	156,455
North America	183,595	179,639
North Asia	6,676	10,158
South Asia	81,477	81,346
Oceania	385,278	384,972
	<b>2,063,010</b>	<b>2,107,640</b>
<b>Liabilities</b>		
United Arab Emirates	556,554	572,231
Gulf Cooperation Council excluding United Arab Emirates	636,271	609,541
Middle East, North Africa and Turkey	246,668	255,033
East and South Africa	71,702	67,932
Europe	614,162	605,687
North America	625,007	660,949
North Asia	26,408	34,594
South Asia	98,194	101,423
Oceania	437,682	452,530
	<b>3,312,648</b>	<b>3,359,920</b>

\* 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 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

#### 10 RELATED PARTY TRANSCATIONS 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.

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

##### Key management compensation

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

	<i>Three months ended</i>	
	<i>31 March</i>	
	<i>2024</i>	<i>2023</i>
	<i>AED '000</i>	<i>AED '000</i>
	<i>Unaudited</i>	<i>Unaudited</i>
Salaries and other short-term benefits	<b>3,065</b>	3,131
Board remuneration	<b>669</b>	747
End of service benefits	<b>127</b>	131
	<b>3,861</b>	<b>4,009</b>

##### Other transactions and balances with related parties

The following table provides the total amount of transactions that have been entered into with related parties during the three-month period ended 31 March 2024 and 2023, as well as balances with related parties as at 31 March 2024 and 31 December 2023:

		Sales to related parties	Purchases from related parties	Amounts owed by related parties (*)	Amounts owed to related parties (**)
		AED '000	AED '000	AED '000	AED '000
<b>Associates:</b>	<b>2024</b>	<b>257</b>	<b>271</b>	<b>30</b>	<b>639</b>
	2023	401	313	33	839
<b>Joint ventures in which the Parent is a venturer:</b>	<b>2024</b>	<b>13,459</b>	<b>143</b>	<b>8,790</b>	<b>4,672</b>
	2023	8,358	176	18,503	10
<b>Related parties and companies controlled by shareholders:</b>	<b>2024</b>	<b>42,526</b>	-	<b>31,392</b>	<b>1,289</b>
	2023	43,166	-	47,722	1,650

\* These amounts are classified as trade receivables.

\*\* These amounts are classified as trade payables.

## Aramex PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

#### 11 CONTINGENCIES AND COMMITMENTS

	<u>31 March</u> <u>2024</u>	<u>31 December</u> <u>2023</u>
	<i>AED '000</i>	<i>AED '000</i>
	<i>Unaudited</i>	<i>Audited</i>
Letters of guarantee	<u>148,366</u>	<u>143,414</u>

#### Claims against the Group

The Group is a defendant in a number of lawsuits amounting to AED 108,029 thousand as of 31 March 2024 (31 December 2023: AED 97,581 thousand) representing legal actions and claims related to the ordinary course of business. Management and its legal advisors believe that the provision recorded of AED 15,323 thousand as of 31 March 2024 (31 December 2023: AED 16,282 thousand) is sufficient to meet the obligations that may arise from the lawsuits.

#### 12 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.

#### 13 TAXATION

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax ("CT") regime in the UAE. The CT regime is effective for annual periods beginning on or after 1 June 2023 and accordingly, it has a current income tax related impact on the interim condensed consolidated financial statements for the Group starting 1 January 2024.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% CT rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000, and a rate of 0% will apply on qualifying income of qualifying free zone entities.

Income tax appearing in the interim condensed consolidated statement of profit or loss represents the income tax expense of the Parent Company and the Group's subsidiaries that operates in taxable jurisdiction. Taxes on income are accrued using the applicable tax rates that would be applicable to the expected total annual profit.

#### Pillar Two

Aramex Group has been monitoring the progress of the Pillar Two implementation in the jurisdictions in which it operates through Constituent Entities (ie) and Joint Ventures. The Group has also appointed advisers (FTI Consulting) to carry out an assessment on the impact of the rules under the Transitional safe harbour rules (briefly these rules provide an option to MNE groups to rely on CBCR reports/ data to determine the jurisdictions that pass one of the three tests and therefore not be required to apply a top-up tax in that jurisdiction under the Pillar Two rules).

The impact assessment exercise is being done for the Aramex Group based on latest available CBCR report (FY 2022) filed by the Group in the UAE and also for 2023 (in house calculations being performed). The assessment will highlight the jurisdictions that pass the tests, and identify jurisdictions that could have top-up tax liability under Pillar Two rules.

The calculation of approximate top-up tax liability based on 2022 data needs to be updated / revised based on the recent administrative guidance issued by the OECD in December 2023 which requires certain adjustments to the financial data as reported in the Group's CBC Report to evaluate the safe harbour tests (to clarify, there is no top-up tax liability payable under Pillar Two rules for 2022). This exercise is currently ongoing.

## Aramex PJSC and its Subsidiaries

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### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

#### 13 TAXATION (CONTINUED)

The assessment will be updated for the FY 2023 financial data based on CBCR report for 2023. These assessments would then form the basis for the Aramex Group to review its group structure and operations so as to understand and optimise its top-up tax liability within the framework and spirit of Pillar Two legislation, when such legislation will apply to the Group for financial year 2024 onwards. The quantification of actual top-up tax liability under Pillar Two rules will be based on intra-group payments and financial numbers / data for the year 2024 and onwards, when Pillar Two legislation will be in effect for the Aramex Group.

The Aramex Group tax team is closely monitoring the developments on implementation of Pillar Two legislation in the jurisdictions that it operates, along with further guidance that is expected to be issued by OECD in 2024 and the signing status of MLI by various countries for the STTR to apply (MLI signing expected in mid-2024). The Group will be updating the 2022 assessment for 2023 financial data to further refine the impact assessment conducted to date.

#### 14 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, receivables, investment securities at fair value through other comprehensive income, and other current assets. Financial liabilities consist of loans and borrowings, bank overdrafts, trade payable, lease liabilities, and other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole, as follows:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

There were no changes in the Group's valuation processes, valuation techniques, and types of inputs used in the fair value measurements during the period.

## Aramex PJSC and its Subsidiaries

### NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024 (Unaudited)

#### 14 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

As at 31 March 2024, the Group held the following financial instruments measured at fair value:

##### Assets measured at fair value

	<i>31 March 2024</i> <i>AED</i>	<i>Level 1</i> <i>AED</i>	<i>Level 2</i> <i>AED</i>	<i>Level 3</i> <i>AED</i>
<b>Unquoted equity financial assets</b>				
What 3 Words Ltd	15,241	-	-	15,241
Flirtey Tech Pty Ltd.	67	-	-	67
Total	<u>15,308</u>	<u>-</u>	<u>-</u>	<u>15,308</u>
<b>Unquoted debt financial assets</b>				
Cell captive	1,340	-	-	1,340
Shippify Inc	1,102	-	-	1,102
Total	<u>2,442</u>	<u>-</u>	<u>-</u>	<u>2,442</u>

As at 31 December 2023, the Group held the following financial instruments measured at fair value:

##### Assets measured at fair value

	<i>31 December 2023</i> <i>AED</i>	<i>Level 1</i> <i>AED</i>	<i>Level 2</i> <i>AED</i>	<i>Level 3</i> <i>AED</i>
<b>Unquoted equity financial assets</b>				
What 3 Words Ltd	15,241	-	-	15,241
Flirtey Tech Pty Ltd.	70	-	-	70
Total	<u>15,311</u>	<u>-</u>	<u>-</u>	<u>15,311</u>
<b>Unquoted debt financial assets</b>				
Cell captive	1,161	-	-	1,161
Shippify Inc	1,102	-	-	1,102
Total	<u>2,263</u>	<u>-</u>	<u>-</u>	<u>2,263</u>

During the period ended 31 March 2024 and year ended 31 December 2023, there were no transfers between the various levels of fair value measurements.

At 31 March 2024, the fair values of debt securities were assessed which resulted in the fair value gain of AED 179 thousand (31 March 2023: loss of AED 7 thousand).