

ARAMEX PJSC AND ITS SUBSIDIARIES

**UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION**

**FOR THE THREE MONTH PERIOD ENDED
31 MARCH 2021**

Aramex PJSC and its subsidiaries

**Review report and condensed interim consolidated financial information
for the three months period ended 31 March 2021**

Contents	Pages
Review report on condensed interim consolidated financial information	1
Condensed interim consolidated statement of financial position	2
Condensed interim consolidated statement of income	3
Condensed interim consolidated statement of comprehensive income	4
Condensed interim consolidated statement of changes in equity	5
Condensed interim consolidated statement of cash flows	6
Notes to the condensed interim consolidated financial information	7 - 20



Review report on 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 31 March 2021 and the related condensed interim consolidated statements of income, comprehensive income, changes in equity and cash flows for the three-month period then ended and other 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
5 May 2021

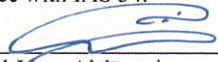
Rami Sarhan
Registered Auditor Number 1152
Dubai, United Arab Emirates

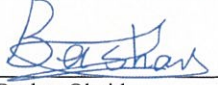


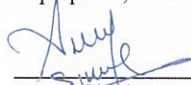
ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2021

	Note	31 March 2021 AED "000" Unaudited	31 December 2020 AED "000" Audited
Assets			
Non-current assets			
Property and equipment	3	957,925	956,755
Right of use assets	4	862,334	890,129
Goodwill		1,135,511	1,135,511
Other intangible assets		214,565	216,405
Investments in joint ventures and associates		37,815	39,803
Financial assets at fair value through other comprehensive income		23,546	25,451
Deferred tax assets		7,588	7,786
Other non-current assets		4,572	4,800
		<u>3,243,856</u>	<u>3,276,640</u>
Current assets			
Accounts receivable, net		1,072,585	1,093,927
Other current assets		296,178	271,874
Margins and bank deposits	6	251,949	252,359
Cash and bank balances	6	798,722	1,002,407
		<u>2,419,434</u>	<u>2,620,567</u>
Assets held for sale	5	223,270	217,963
Total assets		<u>5,886,560</u>	<u>6,115,170</u>
Equity and liabilities			
Equity			
Share capital		1,464,100	1,464,100
Statutory reserve		408,929	408,929
Foreign currency translation reserve		(346,490)	(344,425)
Reserve arising from acquisition of non-controlling interests		(335,186)	(335,186)
Reserve arising from other comprehensive income items		(7,123)	(7,064)
Retained earnings		1,549,217	1,504,306
		<u>2,733,447</u>	<u>2,690,660</u>
Equity attributable to equity holders of the Parent Company		<u>2,733,447</u>	<u>2,690,660</u>
Non-controlling interests		14,620	16,301
Total equity		<u>2,748,067</u>	<u>2,706,961</u>
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings		155,368	162,000
Employees' end of service benefits		152,120	149,187
Lease liabilities		669,312	701,190
Deferred tax liabilities		58,340	58,359
		<u>1,035,140</u>	<u>1,070,736</u>
Current liabilities			
Accounts payable		301,582	328,879
Bank overdrafts	8	145,843	68,059
Lease liabilities		171,726	186,548
Interest-bearing loans and borrowings		396,594	542,841
Income tax provision		80,696	78,165
Other current liabilities		913,390	1,038,975
		<u>2,009,831</u>	<u>2,243,467</u>
Liabilities held for sale	5	93,522	94,006
Total liabilities		<u>3,138,493</u>	<u>3,408,209</u>
Total equity and liabilities		<u>5,886,560</u>	<u>6,115,170</u>

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)


 Bashar Obeid
 (Chief Executive Officer)


 Arun Singh
 (Interim Chief Financial Officer)

The notes on pages 7 to 20 form an integral part of this condensed interim consolidated financial information.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

		For the three month period ended 31 March	
	Note	2021 AED "000" Unaudited	2020 AED "000" Unaudited (Restated)
Continuing operations			
Rendering of services		1,424,933	1,151,644
Cost of services		(1,066,286)	(801,296)
Gross profit		<u>358,647</u>	<u>350,348</u>
Selling and marketing expenses		(67,400)	(54,812)
Administrative expenses		(216,974)	(193,322)
Net impairment loss on financial assets		(2,961)	(6,885)
Other income, net		8,143	4,179
Operating profit		<u>79,455</u>	<u>99,508</u>
Finance income		2,247	3,542
Finance costs		(15,290)	(18,264)
Share of results of joint ventures and associates		2,685	(1,784)
Profit before income tax		<u>69,097</u>	<u>83,002</u>
Income tax expense	14	(27,647)	(20,854)
Profit for the period		<u>41,450</u>	<u>62,148</u>
Discontinued operations			
Profit after tax for the year from discontinued operations	5	<u>5,895</u>	<u>5,959</u>
Profit for the year		<u>47,345</u>	<u>68,107</u>
Attributable to:			
<i>Equity holders of the Parent</i>			
Profit for the period from continuing operations		40,656	61,727
Profit for the period from discontinued operations		5,357	5,692
		<u>46,013</u>	<u>67,419</u>
<i>Non-controlling interests</i>			
Profit for the period from continuing operations		794	421
Profit for the period from discontinued operations		538	267
		<u>1,332</u>	<u>688</u>
Earnings per share attributable to the equity holders of the Parent:			
Basic and diluted earnings per share from continuing operations	7	<u>0.028</u>	<u>0.042</u>
Basic and diluted earnings per share from discontinued operations	7	<u>0.004</u>	<u>0.004</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

	For the three months period ended 31 March	
	2021 AED "000" (Unaudited)	2020 AED "000" (Unaudited)
Profit for the period	47,345	68,107
Other comprehensive income		
<i>Other comprehensive (loss)/income to be reclassified to the condensed interim consolidated statement of income in subsequent periods:</i>		
Exchange differences on translation of foreign operations	(12,026)	(10,261)
Impact of hyperinflation	51	-
	(11,975)	(10,261)
<i>Other comprehensive loss not to be reclassified to the condensed interim consolidated statement of income in subsequent periods:</i>		
Loss on equity instruments at fair value through other comprehensive income	(1,161)	(750)
Other comprehensive loss for the period, net of tax	(13,136)	(11,011)
Total comprehensive income for the period	34,209	57,096
Attributable to:		
Equity holders of the Parent Company	34,688	56,966
Non-controlling interests	(479)	130
	34,209	57,096
Total comprehensive income attributable to equity holders of the Parent arises from:		
Continuing operations	28,955	51,225
Discontinued operations	5,733	5,741
	34,688	56,966

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

Attributable to equity holders of the Parent

	Share capital AED "000"	Statutory reserve AED "000"	Foreign currency translation reserve AED "000"	Reserve arising from acquisition of non-controlling interests AED "000"	Reserve arising from other comprehensive income items AED "000"	Retained earnings AED "000"	Total AED "000"	Non-controlling interests AED "000"	Total equity AED "000"
For the three months ended 31 March 2021									
Balance at 31 December 2020	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	-	-	8,099	-	-	-	8,099	-	8,099
At 1 January 2021 (adjusted)	1,464,100	408,929	(336,326)	(335,186)	(7,064)	1,504,306	2,698,759	16,301	2,715,060
Profit for the period	-	-	-	-	-	46,013	46,013	1,332	47,345
Other comprehensive loss	-	-	(10,164)	-	(1,161)	-	(11,325)	(1,811)	(13,136)
Total comprehensive (loss)/income for the period	-	-	(10,164)	-	(1,161)	46,013	34,688	(479)	34,209
Transfer of loss on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	-	1,102	(1,102)	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(1,202)	(1,202)
Balance at 31 March 2021	1,464,100	408,929	(346,490)	(335,186)	(7,123)	1,549,217	2,733,447	14,620	2,748,067
For the three months ended 31 March 2020									
At 1 January 2020	1,464,100	367,095	(398,720)	(335,186)	272	1,519,928	2,617,489	15,053	2,632,542
Profit for the period	-	-	-	-	-	67,419	67,419	688	68,107
Other comprehensive loss	-	-	(9,703)	-	(750)	-	(10,453)	(558)	(11,011)
Total comprehensive (loss)/income for the period	-	-	(9,703)	-	(750)	67,419	56,966	130	57,096
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(324)	(324)
Balance at 31 March 2020	1,464,100	367,095	(408,423)	(335,186)	(478)	1,587,347	2,674,455	14,859	2,689,314

The notes on pages 7 to 20 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 THREE MONTH PERIOD ENDED 31 MARCH 2021

	Note	For the three months period ended 31 March	
		2021 AED “000” (Unaudited)	2020 AED “000” (Unaudited)
<u>OPERATING ACTIVITIES</u>			
Profit before tax from continuing operations		69,097	83,002
Profit before tax from discontinued operations	5	6,880	6,498
Profit before tax		75,977	89,500
Adjustments for			
Depreciation of property and equipment		30,571	29,168
Depreciation of right of use assets		64,487	59,132
Amortisation of other intangible assets		2,222	2,200
Gain on sale of property and equipment		(1,616)	(968)
Provision for employees’ end of service benefits		8,206	8,634
Net impairment loss on financial assets		3,102	8,428
Finance costs – borrowings		3,627	7,250
Finance costs – lease liabilities		12,450	12,129
Finance income		(2,332)	(3,670)
Share of results of joint ventures and associates		(2,685)	1,784
		194,009	213,587
Working capital adjustments:			
Accounts receivable		16,527	134,092
Other current assets		(26,200)	1,242
Accounts payables		(24,343)	(16,939)
Other current liabilities		(121,872)	(200,099)
Net cash flows generated from operating activities before income tax, employees’ end of service benefits and payment of employees’ benefit liability		38,121	131,883
Income tax paid		(23,078)	(51,573)
Employees’ end of service benefits paid		(4,565)	(3,782)
Net cash flows generated from operating activities		10,478	76,528
<u>INVESTING ACTIVITIES</u>			
Purchase of property and equipment	3	(34,074)	(25,811)
Proceeds from sale of property and equipment		2,634	1,273
Net cash disposed from discontinued operations		(1,535)	-
Finance income received		2,332	3,670
Margins and bank deposits		410	(302)
Other non-current assets		218	498
Dividends received from joint ventures		4,557	-
Net cash flows used in investing activities		(25,458)	(20,672)
<u>FINANCING ACTIVITIES</u>			
Finance costs paid		(17,726)	(17,299)
Proceeds from interest-bearing loans and borrowings		2,166	-
Repayment of interest-bearing loans and borrowings		(160,225)	(62,725)
Principal repayment of lease liabilities		(80,409)	(91,204)
Dividends paid to non-controlling interests		(1,202)	(324)
Net cash flows used in financing activities		(257,396)	(171,552)
Net decrease in cash and cash equivalents (before impairment provision)		(272,376)	(115,696)
Net foreign exchange difference		(8,408)	17,755
Cash and cash equivalents at 1 January		955,649	588,114
Cash and cash equivalents at 31 March (before impairment provision)	6	674,865	490,173

Non-cash transactions are disclosed in Note 17.

The notes on pages 7 to 20 form an integral part of this condensed interim consolidated financial information.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

1. General

Aramex PJSC (the “Parent Company or Company”) was established as a Public Joint Stock Company on 15 February 2005 and is registered in the Emirate of Dubai, United Arab Emirates under UAE Federal Law No 2 of 2015. The condensed interim consolidated financial information of the Company as at and for the period ended 31 March 2021 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.

Federal Decree Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021. The Company is in the process of reviewing the new provisions and will apply the requirements thereof no later than one year from the date on which the amendments came into effect.

On 17 September 2020, Alpha Oryx Limited, a subsidiary of Abu Dhabi Development Holding Company (“ADQ”) acquired 22.5% of Aramex PJSC’s issued share capital.

The condensed interim consolidated financial information were authorised for issue by the Board of Directors on 5 May 2021.

2. Summary of significant accounting policies

2.1 Basis of preparation

This condensed interim consolidated financial information of the Group is prepared under the historical cost basis except for financial assets at fair value through other comprehensive income and assets held for sale which are measured at fair value less cost to sell.

The condensed interim consolidated statement of income and the condensed interim consolidated statement of comprehensive income for the prior period have been re-presented to reflect discontinued operations.

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 2020. In addition, results for the period from 1 January 2021 to 31 March 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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 2020.

The Lebanese economy is considered to be hyperinflationary. Accordingly, the results, cash flows and financial position of the group's subsidiary, Aramex Lebanon SARL has been expressed in terms of measuring unit current at the reporting date.

2.2 Changes in accounting policies

There are no new relevant IFRS or IFRS interpretations that are effective for annual periods beginning on or after 1 January 2021.

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

- (a) IFRS 17, 'Insurance contracts' (effective 1 January 2023);
- (b) Amendment to IFRS 3 (effective 1 January 2022);
- (c) Amendment to IAS 37 (effective 1 January 2022);
- (d) Amendment to IAS 16 (effective 1 January 2022);
- (e) Amendments to IAS 1 and IAS 8 (effective 1 January 2022).

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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

3. Property and equipment

During the three month period ended 31 March 2021, the Group purchased AED 34 million (three month period ended 31 March 2020: AED 25.8 million) of various types of property and equipment.

4. Right of use assets and lease liabilities

During the three month period ended 31 March 2021, the Group entered into new lease agreements for which right of use assets and the lease liabilities amounting to AED 46 million were recognized (three month period ended 31 March 2020: AED 65 million) under various categories.

5. Discontinued operation

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.

The 2021 results of the condensed interim consolidated statement of income and condensed interim consolidated statement of comprehensive income reflect on the above disposals within results from discontinued operations.

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

	31 March 2021 AED "000" Unaudited	31 March 2020 AED "000" Unaudited
Rendering of services	43,192	44,127
Direct costs	(20,937)	(21,664)
Gross profit	22,255	22,463
Selling and marketing expenses	(2,649)	(2,686)
Administrative expenses	(11,735)	(10,704)
Net impairment loss on financial assets	(141)	(1,543)
Other expenses	(148)	(45)
Operating profit	7,582	7,485
Finance income	85	128
Finance expense	(787)	(1,115)
Profit before tax	6,880	6,498
Income tax expense	(985)	(539)
Profit for the year	5,895	5,959
Other comprehensive income	-	-
Total comprehensive income	5,895	5,959

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

5. Discontinued operation (continued)

	31 March 2021	31 March 2020
	AED "000"	AED "000"
	Unaudited	Unaudited
Profit for the year attributable to:		
<i>Equity holders of the Parent</i>	5,357	5,692
<i>Non-controlling interests</i>	538	267
	<u>5,895</u>	<u>5,959</u>

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

	31 March 2021	31 December 2020
	AED "000"	AED "000"
	Unaudited	Audited
Assets		
Non-current assets		
Property and equipment	80,790	81,171
Right-of-use assets	42,266	41,514
Goodwill	6,438	6,438
Intangible assets	1,528	1,911
Deferred tax assets	848	885
	<u>131,870</u>	<u>131,919</u>
Current assets		
Accounts receivable	31,123	29,409
Other current assets	16,306	14,520
Cash and bank balances	43,971	42,115
	<u>91,400</u>	<u>86,044</u>
Total assets	<u>223,270</u>	<u>217,963</u>
Liabilities		
Non-current liabilities		
Employees' end of service benefits	15,263	14,949
Lease liabilities	32,278	33,757
Deferred tax liabilities	1,131	1,038
Interest bearing loans and borrowings	-	4,091
	<u>48,672</u>	<u>53,835</u>
Current liabilities		
Trade payables	7,858	5,814
Lease liabilities	10,257	9,324
Other current liabilities	23,189	21,126
Income tax provision	3,546	2,818
Interest bearing loans and borrowings	-	1,089
	<u>44,850</u>	<u>40,171</u>
Total liabilities	<u>93,522</u>	<u>94,006</u>
Net assets directly associated with disposal group	<u>129,748</u>	<u>123,957</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

5. Discontinued operation (continued)

Cash flows from discontinued operations

	31 March 2021 AED "000" Unaudited	31 March 2020 AED "000" Unaudited
Net cash used in operating activities	16,201	1,697
Net cash used in investing activities	(2,927)	(1,052)
Net cash generated from financing activities	(11,704)	(2,726)
Net cash inflows	<u>1,570</u>	<u>(2,081)</u>

6. Cash and cash equivalents

	31 March 2021 AED "000" Unaudited	31 December 2020 AED "000" Audited
Cash and bank balances	798,722	1,002,407
Margins and bank deposits *	251,949	252,359
	<u>1,050,671</u>	<u>1,254,766</u>

Included within cash at banks are amounts totalling AED 622,735 thousands (31 December 2020: AED 736,100 thousands) of cash held at foreign banks abroad and amounts totalling approximately AED 137,833 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 2020: AED 235,228 thousands).

* Margins and bank deposits consist of margin deposits against guarantees of AED 8,895 thousands (2020: AED 9,276 thousand) and long-term deposits with maturities greater than 3 months of AED 243,054 thousand (2020: AED 243,083 thousand).

	31 March 2021 AED "000" Unaudited	31 December 2020 AED "000" Unaudited
Cash and bank balances	820,708	1,023,708
Less: impairment for expected credit losses	(21,986)	(21,301)
	<u>798,722</u>	<u>1,002,407</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

6. Cash and cash equivalents (continued)

As at 31 March 2021, cash and cash equivalents of AED 21,986 thousand (31 March 2020: AED nil) were impaired for cash at banks in Lebanon. Movement on expected credit losses was as follows:

	31 March 2021 AED "000" Unaudited	31 March 2020 AED "000" Unaudited
At 1 January	21,301	-
Charge for the year	685	-
At 31 March	<u>21,986</u>	<u>-</u>

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

	31 March 2021 AED "000" Unaudited	31 March 2020 AED "000" Unaudited
Cash and bank balances	798,722	636,757
Add: impairment for expected credit losses	21,986	-
Less: bank overdrafts	<u>(145,843)</u>	<u>(146,584)</u>
	<u>674,865</u>	<u>490,173</u>

7. Earnings per share

	31 March 2021 AED "000" Unaudited	31 March 2020 AED "000" Unaudited
Profit attributable to the equity holders of the Parent Company		
Profit for the year from continuing operations	40,656	61,727
Profit for the year from discontinued operations	<u>5,357</u>	<u>5,692</u>
	<u>46,013</u>	<u>67,419</u>
Weighted average number of shares during the period (shares)	<u>1,464 million</u>	<u>1,464 million</u>
Basic and diluted earnings per share from continuing operations (AED)	<u>0.028</u>	<u>0.042</u>
Basic and diluted earnings per share from discontinued operations (AED)	<u>0.004</u>	<u>0.004</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

8. Bank overdrafts

The Group maintains overdrafts and lines of credit with various banks. Overdrafts and lines of credit include the following (Note 6):

Aramex Tunisia has outstanding overdrafts from the Arab Bank of AED 1,303 thousand as at 31 March 2021 (31 December 2020: AED 202 thousand).

Aramex Algeria SARL has outstanding overdraft from Citi Bank of AED 7,472 thousand as at 31 March 2021 (31 December 2020: AED 3,586 thousand).

Aramex International LLC has outstanding overdraft from HSBC of AED 51,416 thousand as at 31 March 2021 (31 December 2020: AED 51,416 thousand).

Aramex Special Logistics LLC has outstanding overdraft from Citi Bank of AED 85,635 thousand as at 31 March 2021 (31 December 2020: AED 12,834 thousand).

Aramex Kenya Limited has outstanding overdraft from Citibank of AED 17 thousand as at 31 March 2021 (31 December 2020: AED 21 thousand).

9. 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 executive officer and chief decision maker.

The Group is comprised of the following operating segments:

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

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

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

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

9. Segment information (continued)

	<i>Courier**</i> <i>AED '000</i>	<i>Freight forwarding</i> <i>AED '000</i>	<i>Logistics</i> <i>AED '000</i>	<i>Others</i> <i>AED '000</i>	<i>Total</i> <i>AED '000</i>
Three month period ended 31 March 2021					
Revenue					
Total revenues	1,002,143	288,281	104,658	29,851	1,424,933
Timing of revenue recognition					
Goods transferred at a point in time	1,002,143	288,281	104,658	29,851	1,424,933
Services transferred overtime	-	-	-	-	-
Total revenues from contracts with customers	1,002,143	288,281	104,658	29,851	1,424,933
Gross profit	285,115	36,833	18,104	18,595	358,647
Earnings before interest and tax	67,920	3,823	5,769	1,943	79,455
Three month period ended 31 March 2020					
Total revenues	768,414	262,437	95,044	25,749	1,151,644
Timing of revenue recognition					
Goods transferred at a point in time	768,414	262,437	95,044	25,749	1,151,644
Services transferred overtime	-	-	-	-	-
Total revenues from contracts with customers	768,414	262,437	95,044	25,749	1,151,644
Gross profit	264,108	51,693	17,857	16,690	350,348
Earnings before interest and tax	67,870	23,017	6,653	1,967	99,507

** 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

9. Segment information (continued)

Industry segment and geographical allocation

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

	For the three months ended	
	2021	2020
	AED "000" Unaudited	AED "000" Unaudited
Revenue		
United Arab Emirates	215,044	204,872
Middle East and Africa excluding United Arab Emirates	561,421	508,732
Europe	186,917	142,278
North America	73,576	54,030
Asia and others	387,975	241,732
	<u>1,424,933</u>	<u>1,151,644</u>

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

	31 March	31 December
	2021	2020
	AED "000" Unaudited	AED "000" Audited
Assets		
United Arab Emirates	2,398,278	2,500,029
Middle East and Africa excluding United Arab Emirates	1,725,130	1,728,207
Europe	558,922	557,409
North America	169,971	164,070
Asia and others	1,034,259	1,165,455
	<u>5,886,560</u>	<u>6,115,170</u>
Non-current assets*		
United Arab Emirates	746,416	761,421
Middle East and Africa excluding United Arab Emirates	759,590	764,362
Europe	122,235	123,598
North America	48,105	45,116
Asia and others	419,839	434,046
	<u>2,096,185</u>	<u>2,128,543</u>
Liabilities		
United Arab Emirates	1,171,649	1,269,148
Middle East and Africa excluding United Arab Emirates	1,111,150	1,192,633
Europe	180,190	185,060
North America	79,856	75,935
Asia and others	595,648	685,433
	<u>3,138,493</u>	<u>3,408,209</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 THREE MONTH PERIOD ENDED 31 MARCH 2021

10. 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 income are as follows:

Key management compensation

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

	31 March 2021 AED "000" Unaudited	31 March 2020 AED "000" Unaudited
Salaries and other short term benefits	1,725	3,002
Board remuneration	1,013	900
End of service benefits	(186)	98
	<u>2,552</u>	<u>4,000</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

10. Related party transactions and balances (continued)

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 2021 and 2020, as well as balances with related parties as at 31 March 2021 and 31 December 2020:

		Sales to related parties AED'000	Cost from related parties AED'000	Amounts owed by related parties * AED'000	Amounts owed to related parties ** AED'000
Associates	2021	2,309	287	1,270	1,078
	2020	308	329	53	970
Joint ventures in which the Parent is a venture	2021	19,705	176	16,001	121
	2020	9,603	385	25,329	53
Companies controlled by previous shareholders***	2021	-	-	-	-
	2020	22,804	-	-	-
Related parties and companies controlled by shareholders	2021	1,094	-	7,489	-
	2020	-	-	4,721	-

* These amounts are classified as accounts receivable.

** These amounts are classified as accounts payable.

*** Transactions with the previous shareholders and entities under common control by the shareholders were presented for the period from 1 January 2020 to 31 March 2020. The related outstanding balances as at 31 December 2020 are not included in the above disclosure since those entities ceased to be related parties on 17 September 2020.

11. Contingent liabilities and commitments

	31 March 2021 AED "000" Unaudited	31 December 2020 AED "000" Audited
Letters of guarantee	143,149	138,995

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

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. 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 has recorded a provision for claims of for which it is able to make an estimate of the expected loss or range of possible loss, but believe that the publication of this information on a case-by-case basis would prejudice its position in the ongoing legal proceedings or in any related settlement discussions.

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

As of 31 March 2021, the Group is a defendant in a number of lawsuits amounting to AED 152,552 thousand representing claims in connection with normal ordinary course of business.

14. 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 income 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.

15. COVID-19 impact assessment

The economic fallout of COVID-19 crisis is significant globally and is still evolving. Regulators and governments across the globe have introduced fiscal and economic stimulus measures to mitigate its impact. 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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

15. COVID-19 impact assessment (continued)

COVID-19 impact on measurement of ECL

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

However, management has performed revised assessments and no material impact has been accounted for in these 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 currently working remotely.

16. Losses on property and customer goods

On 4 August 2020, an explosion occurred in the Port of Beirut, Lebanon, which resulted in a damage to the entire warehouse facility of the Group’s subsidiary in Beirut, Lebanon (Aramex Lebanon SARL “Aramex Lebanon”). Furthermore, a fire incident occurred during September 2020 in a storage facility of the Group’s subsidiary in Casablanca, Morocco (Aramex Morocco Logistics SARL “Aramex Morocco”) which resulted in damage to three chambers of that storage facility.

These facilities are covered under existing comprehensive insurance policies and Group management has appointed an independent loss assessor to manage the claims in Lebanon with the respective insurance company while the incident in Morocco is being managed internally by the insurance, legal and compliance teams. The assessment of both incidents is still its initial stage.

Based on the Group’s initial assessment, management booked a provision of AED 7,712 thousand (AED 1,469 thousand representing property damages and AED 6,243 thousand representing estimated loss on the customers goods) and AED 45,173 thousand (AED 1,102 thousand representing property damages and AED 44,071 thousand representing estimated loss on the customers goods) to cover the estimated losses as at 31 March 2021 for Aramex Lebanon and Aramex Morocco respectively.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2021

16. Losses on property and customer goods (continued)

As a result of the fire incident in Morocco, a provision of AED 36,726 thousand was provided during the year ended 31 December 2020 related to a settlement agreement dated 16 March 2021 between the Company and a customer. On 28 March 2021, an amount of AED 36,726 thousand was paid to the customer.

Management is confident that the amounts related to property damages and customers goods will be recovered for both incidents and will only recognize any reimbursement from the insurance companies when it is certain to be received.

17. Non-cash transactions

	For the three-month period ended 31 March	
	2021	2020
	AED "000"	AED "000"
	Unaudited	Unaudited
Additions of right of use assets	46,074	64,923
Disposal of right of use assets	12,911	9,692

18. Prior year reclassification

During the period ended 31 March 2020, the Group classified direct costs, which included salaries and benefits, vehicle running and maintenance, depreciation of property and equipment, right of use assets and other expenses incurred for rendering of services, as "other operating expenses" which relates to costs of services. Accordingly, the Group reclassified the "other operating expenses" on the consolidated statement of income for the period ended 31 March 2020 to "cost of services" to comply with the condensed interim consolidated financial information presentation for the current year. Management believes that the current period presentation provides more meaningful information to the users of the consolidated financial statements.

Condensed interim consolidated statement of income

	As previously reported AED	Reclassification increase/ (decrease) AED	Restated AED
Cost of services	569,233	232,063	801,296
Other operating expenses	232,063	(232,063)	-

19. Subsequent events

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