

ARAMEX PJSC AND ITS SUBSIDIARIES

**UNAUDITED CONDENSED INTERIM
CONSOLIDATED FINANCIAL INFORMATION**

**FOR THE SIX-MONTH PERIOD ENDED
30 JUNE 2023**

ARAMEX PJSC AND ITS SUBSIDIARIES

Review report and condensed interim consolidated financial information for the six-month period ended 30 June 2023

Contents	Pages
Report on review of condensed interim consolidated financial information	1
Condensed interim consolidated statement of financial position	2
Condensed interim consolidated statement of profit or loss	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 - 7
Notes to the condensed interim consolidated financial information	8 - 27



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

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Aramex PJSC (“the Company”) and its subsidiaries (together referred to as “the Group”) as at 30 June 2023 and the related condensed interim consolidated statements of profit or loss and comprehensive income for the three-month and six-month periods then ended, condensed interim consolidated statements of changes in equity and cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 'Interim Financial Reporting' (“IAS 34”). Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers Limited Partnership Dubai Branch
9 August 2023

Murad Alnsour
Registered Auditor Number 1301
Dubai, United Arab Emirates



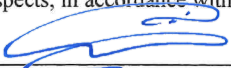
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Jacques Fakhoury, Douglas O'Mahony, Wassim El Afchal, Murad Alnsour, Rami Sarhan and Virendra Dhirajlal Lodhia are registered as practising auditors with the UAE Ministry of Economy

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	30 June 2023 AED "000" Reviewed	31 December 2022 AED "000" Audited
Assets			
Non-current assets			
Property and equipment	4	878,751	883,697
Right of use assets	5	880,399	860,524
Goodwill		1,757,680	1,757,680
Other intangible assets		317,577	324,362
Investments in joint ventures and associates		36,928	24,961
Financial assets at fair value through other comprehensive income		17,647	17,667
Deferred tax assets		26,362	28,135
Other non-current assets		5,809	5,912
		3,921,153	3,902,938
Current assets			
Accounts receivable, net		1,085,003	1,130,410
Other current assets		267,831	284,150
Restricted cash, margins and fixed deposits	7	9,494	9,488
Cash and cash equivalents	7	492,266	758,954
		1,854,594	2,183,002
Assets held for sale	6	5,877	6,569
Total assets		5,781,624	6,092,509
Equity and liabilities			
Equity			
Share capital		1,464,100	1,464,100
Statutory reserve		471,734	471,734
Foreign currency translation reserve		(556,763)	(529,432)
Reserve arising from acquisition of non-controlling interests		(336,986)	(329,908)
Reserve arising from other comprehensive income items		(11,810)	(11,804)
Retained earnings		1,348,122	1,444,833
		2,378,397	2,509,523
Equity attributable to equity holders of the Parent Company		2,378,397	2,509,523
Non-controlling interests		7,375	8,865
Net equity		2,385,772	2,518,388
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings		1,088,848	1,086,304
Employees' end of service benefits		165,336	164,136
Lease liabilities		772,654	757,036
Deferred tax liabilities		32,590	30,828
Deferred income		13,511	15,960
		2,072,939	2,054,264
Current liabilities			
Accounts payable		308,798	324,776
Bank overdrafts	9	5,518	131,353
Lease liabilities		185,034	181,687
Interest-bearing loans and borrowings		50,032	38,865
Income tax provision		41,844	46,038
Provisions		63,509	71,380
Other current liabilities		664,260	720,851
		1,318,995	1,514,950
Liabilities held for sale	6	3,918	4,907
Total liabilities		3,395,852	3,574,121
Total equity and liabilities		5,781,624	6,092,509

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


Mohamed Juma Aishamsi
(Chairman)


Othman Aljeda
(Chief Executive Officer)


Nicolas Sibuet
(Chief Financial Officer)

The notes on pages 8 to 27 form an integral part of this condensed interim consolidated financial information. (2)

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

	Note	For the three-month period ended 30 June		For the six-month period ended 30 June	
		2023 AED "000" Reviewed	2022 AED "000" Reviewed	2023 AED "000" Reviewed	2022 AED "000" Reviewed
Continuing operations					
Rendering of services		1,388,839	1,516,589	2,820,336	2,965,521
Cost of services		(1,043,293)	(1,137,966)	(2,116,790)	(2,242,798)
Gross profit		345,546	378,623	703,546	722,723
Selling and marketing expenses		(79,755)	(65,140)	(151,146)	(123,925)
Administrative expenses		(213,482)	(234,187)	(422,903)	(448,300)
Net impairment loss on financial assets		(611)	(4,758)	(13,510)	(9,305)
Other income/(expense), net		1,064	(10,969)	(225)	(2,618)
Operating profit		52,762	63,569	115,762	138,575
Finance income		1,849	1,005	4,285	1,996
Finance costs		(32,582)	(15,377)	(63,048)	(28,217)
Share of results of joint ventures and associates		1,967	4,164	2,457	7,720
Profit before income tax		23,996	53,361	59,456	120,074
Income tax expense	15	(4,976)	(8,349)	(15,874)	(28,085)
Profit for the period from continuing operations		19,020	45,012	43,582	91,989
Discontinued operations					
Loss after tax for the period from discontinued operations	6	(544)	(24)	(904)	(16)
Gain on sale of a subsidiary	6	-	-	-	800
Profit for the period		18,476	44,988	42,678	92,773
Attributable to:					
<i>Equity holders of the Parent Company</i>					
Profit for the period from continuing operations		19,504	44,592	43,773	91,087
(Loss)/profit for the period from discontinued operations		(544)	(24)	(904)	784
		18,960	44,568	42,869	91,871
<i>Non-controlling interests</i>					
(Loss)/profit for the period from continuing operations		(484)	420	(191)	902
		(484)	420	(191)	902
Earnings per share attributable to equity holders of the Parent Company:					
Basic and diluted earnings per share from continuing operations	8	0.013	0.030	0.030	0.062
Basic and diluted earnings per share from discontinued operations	8	0.000	0.000	(0.001)	0.001

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2023 AED "000" Reviewed	2022 AED "000" Reviewed	2023 AED "000" Reviewed	2022 AED "000" Reviewed
Profit for the period	18,476	44,988	42,678	92,773
Other comprehensive income				
<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	(10,543)	(13,623)	(22,243)	(41,993)
Impact of hyperinflation	805	1,829	2,717	(6,165)
	<u>(9,738)</u>	<u>(11,794)</u>	<u>(19,526)</u>	<u>(48,158)</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	(10)	(151)	(17)	(17)
Remeasurements of post-employment benefits obligations through other comprehensive income	6	17	11	10
	<u>(4)</u>	<u>(134)</u>	<u>(6)</u>	<u>(7)</u>
Other comprehensive loss for the period, net of tax	<u>(9,742)</u>	<u>(11,928)</u>	<u>(19,532)</u>	<u>(48,165)</u>
Total comprehensive income for the period	<u>8,734</u>	<u>33,060</u>	<u>23,146</u>	<u>44,608</u>
Attributable to:				
Equity holders of the Parent Company	9,678	33,070	24,075	44,354
Non-controlling interests	(944)	(10)	(929)	254
	<u>8,734</u>	<u>33,060</u>	<u>23,146</u>	<u>44,608</u>
Total comprehensive income attributable to equity holders of the Parent Company arises from:				
Continuing operations	10,222	31,395	24,979	42,463
Discontinued operations	(544)	1,675	(904)	1,891
	<u>9,678</u>	<u>33,070</u>	<u>24,075</u>	<u>44,354</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

	Attributable to equity holders of the Parent Company							Non-controlling interests AED "000"	Total equity AED "000"
	Share capital AED "000"	Statutory reserve AED "000"	Foreign currency translation reserve AED "000"	Reserve arising from acquisition of non-controlling interests AED "000"	Reserves arising from other comprehensive income items AED "000"	Retained earnings AED "000"	Total AED "000"		
For the six-month ended 30 June 2023									
Balance 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	-	-	(8,543)	-	-	-	(8,543)	-	(8,543)
At 1 January 2023 (adjusted)	1,464,100	471,734	(537,975)	(329,908)	(11,804)	1,444,833	2,500,980	8,865	2,509,845
Profit/(loss) for the period	-	-	-	-	-	42,869	42,869	(191)	42,678
Other comprehensive loss	-	-	(18,788)	-	(6)	-	(18,794)	(738)	(19,532)
Total comprehensive (loss)/income for the period	-	-	(18,788)	-	(6)	42,869	24,075	(929)	23,146
Non-controlling interests	-	-	-	(7,078)	-	-	(7,078)	(561)	(7,639)
Dividends to shareholders (note 3)	-	-	-	-	-	(139,580)	(139,580)	-	(139,580)
Balance at 30 June 2023	1,464,100	471,734	(556,763)	(336,986)	(11,810)	1,348,122	2,378,397	7,375	2,385,772
For the six-month ended 30 June 2022									
Balance at 1 January 2022	1,464,100	440,802	(398,529)	(329,759)	(12,008)	1,500,570	2,665,176	10,817	2,675,993
Impact of hyperinflation	-	-	5,066	-	-	-	5,066	-	5,066
At 1 January 2022 (adjusted)	1,464,100	440,802	(393,463)	(329,759)	(12,008)	1,500,570	2,670,242	10,817	2,681,059
Profit for the period	-	-	-	-	-	91,871	91,871	902	92,773
Other comprehensive loss	-	-	(47,510)	-	(7)	-	(47,517)	(648)	(48,165)
Total comprehensive (loss)/income for the period	-	-	(47,510)	-	(7)	91,871	44,354	254	44,608
Dividends of subsidiaries	-	-	-	-	-	-	-	(1,127)	(1,127)
Dividends to shareholders (note 3)	-	-	-	-	-	(190,333)	(190,333)	-	(190,333)
Balance at 30 June 2022	1,464,100	440,802	(440,973)	(329,759)	(12,015)	1,402,108	2,524,263	9,944	2,534,207

The notes on pages 8 to 27 form an integral part of this condensed interim consolidated financial information.

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

	Note	For the six-month period ended 30 June	
		2023 AED “000” Reviewed	2022 AED “000” Reviewed
<u>OPERATING ACTIVITIES</u>			
Profit before tax from continuing operations		59,456	120,074
(Loss)/profit before tax from discontinued operations	6	(935)	835
Profit before tax		58,521	120,909
Adjustments for			
Depreciation of property and equipment		56,012	55,985
Depreciation of right of use assets		118,906	129,606
Amortisation of other intangible assets		6,784	1,383
Loss on sale of property and equipment		101	10,897
Provision for employees’ end of service benefits		14,903	17,071
Net impairment loss on financial assets		13,726	9,760
Finance costs – borrowings		38,847	5,528
Finance costs – lease liabilities		24,306	22,724
Finance income		(4,285)	(1,996)
Gain on sale of a subsidiary	6	-	(800)
Gain on disposal of right of use assets and lease liabilities		(676)	-
Share of results of joint ventures and associates		(2,457)	(7,720)
		324,688	363,347
Working capital adjustments:			
Accounts receivable		31,618	65,762
Other current assets		(30,546)	(18,635)
Accounts payables		(15,017)	(76,633)
Provisions		(7,871)	6,123
Other current liabilities		(73,172)	(48,089)
Other non-current liabilities		(2,449)	-
Net cash flows generated from operating activities before income tax and employees’ end of service benefits paid		227,251	291,875
Income tax paid		(16,618)	(36,928)
Employees’ end of service benefits paid		(11,805)	(12,681)
Net cash flows generated from operating activities		198,828	242,266
<u>INVESTING ACTIVITIES</u>			
Purchase of property and equipment	4	(70,419)	(39,025)
Proceeds from sale of property and equipment		6,915	1,376
Proceeds from sale of a subsidiary		36,081	2,545
Net cash disposed from discontinued operations		-	360
Finance income received		4,285	1,996
Margins and bank deposits		305	45,155
Other non-current assets		103	196
Restricted cash		(120)	2,743
Dividends from joint ventures		-	8,728
Net cash flows (used in)/generated from investing activities		(22,850)	24,074

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

	Note	For the six-month period ended 30 June	
		2023 AED "000" Reviewed	2022 AED "000" Reviewed
<u>FINANCING ACTIVITIES</u>			
Finance costs paid		(46,683)	(27,657)
Proceeds from interest-bearing loans and borrowings		27,709	6,110
Repayment of interest-bearing loans and borrowings		(20,227)	(6,930)
Principal elements of lease payments		(129,436)	(146,413)
Dividends paid to shareholders		(139,580)	(190,333)
Dividends paid to non-controlling interests		(7,639)	(740)
Net cash flows used in financing activities		<u>(315,856)</u>	<u>(365,963)</u>
Net decrease in cash and cash equivalents (net of bank overdrafts)		(139,878)	(99,623)
Net foreign exchange difference		(974)	(14,043)
Cash and cash equivalents at 1 January (net of bank overdrafts)		<u>627,600</u>	<u>558,687</u>
Cash and cash equivalents at 30 June (net of bank overdrafts)	7	<u>486,748</u>	<u>445,021</u>

Non-cash transactions are disclosed in Note 16.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023

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 June 2023 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 30 June 2023, the major shareholders of Aramex PJSC are GeoPost, the express parcel arm of French Groupe La Poste and Abu Dhabi Ports Company PJSC (“ADP”), a subsidiary of Abu Dhabi Developmental Holding Company (“ADQ”) which own 28% and 22.32% of Aramex PJSC’s issued share capital, respectively.

The condensed interim consolidated financial information was authorised for issue by the Board of Directors on 9 August 2023.

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 adjusted for the effects of inflation where entities operate in hyperinflationary economies, except for financial assets at fair value through other comprehensive income at fair value, defined benefit pension plans that have been measured 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.

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 2022. In addition, results for the period from 1 January 2023 to 30 June 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

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).

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

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 is consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

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

2.2 Changes in accounting policies

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

The following new and revised IFRS, which became effective for annual periods beginning on or after 1 January 2023, 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) **IFRS 17, 'Insurance contracts'** – The amendment requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of:

- discounted probability-weighted cash flows,
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the condensed interim consolidated statement of profit or loss or directly in condensed interim consolidated statement of comprehensive income.

(b) **Disclosure of Accounting Policies – Amendments to IAS 1 and IFRS Practice Statement 2** – These amendments require entities to disclose their material rather than their significant accounting policies and provide guidance on how to apply the concept of materiality to accounting policy disclosures.

(c) **Definition of Accounting Estimates – Amendments to IAS 8** – The amendment clarifies how companies should distinguish changes in accounting policies from changes in accounting estimates.

(d) **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12** – require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. The cumulative effect of recognising these adjustments is recognised in retained earnings, or another component of equity, as appropriate.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

2. Summary of significant accounting policies (continued)

2.2 Changes in accounting policies (continued)

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

- (e) **International tax reform – pillar two model rules – Amendments to IAS 12** – give companies temporary relief from accounting for deferred taxes arising from the Organisation for Economic Co-operation and Development’s (OECD) international tax reform. The amendments also introduce targeted disclosure requirements for affected companies.

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

- (a) Non-current liabilities with covenants – Amendments to IAS 1 (effective 1 January 2024);
(b) Leases on sale and leaseback – Amendments to IFRS 16 (effective 1 January 2024);
(c) Supplier finance arrangements – Amendments to IAS 7 and IFRS 7 (effective 1 January 2024);
(d) General requirements for disclosure of sustainability-related financial information – IFRS S1 (effective 1 January 2024); and
(e) Climate-related disclosures – IFRS S2 (effective 1 January 2024).

The Group is currently assessing the impact of these standards, and amendments on the future condensed interim consolidated financial information 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.

This 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 adoption of new and amended standards.

3. Dividends

At the Annual General Meeting of the shareholders held on 18 April 2023, the shareholders approved a cash dividend of 9.53% for the year ended 31 December 2022 (31 December 2021: cash dividend of 13%) of the issued and paid-up capital amounting to AED 1,464,100 thousand (31 December 2021: AED 1,464,100 thousand). The dividends per share amount to AED 0.0953 (31 December 2021: AED 0.13).

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

4. Property and equipment

During the six-month period ended 30 June 2023, the Group purchased AED 70 million (six-month period ended 30 June 2022: AED 39 million) of various types of property and equipment.

5. Right of use assets and lease liabilities

During the six-month period ended 30 June 2023, additions of right of use assets and lease liabilities amounting to AED 155 million were recognised (six-month period ended 30 June 2022: AED 204 million) under various categories.

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 June 2023, most of the group of assets were sold with effect on 31 August 2021, 31 January 2022 and 31 July 2022 and the results of the operation along with the gain on sale is reported in the respective period as discontinued operations on the condensed interim consolidated statement of profit or loss for the period. The related assets and liabilities of the disposed group of assets have been derecognised from the condensed interim consolidated statement of financial position.

(iii) **Group of assets held for sale**

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

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

6. Discontinued operations (continued)

(b) *Financial performance of the discontinued operations*

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

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2023 AED "000" Reviewed	2022 AED "000" Reviewed	2023 AED "000" Reviewed	2022 AED "000" Reviewed
Rendering of services	793	1,482	1,748	3,389
Cost of services	(1,131)	(1,088)	(2,071)	(2,269)
Gross (loss)/profit	(338)	394	(323)	1,120
Selling and marketing expenses	(4)	(133)	(82)	(265)
Administrative expenses	(23)	(121)	(88)	(214)
Net impairment loss on financial assets	(96)	(61)	(215)	(455)
Other expenses	(46)	(69)	(122)	(116)
Operating (loss)/profit	(507)	10	(830)	70
Finance costs	(50)	(8)	(105)	(35)
(Loss)/profit before income tax	(557)	2	(935)	35
Income tax credit/(expense)	13	(26)	31	(51)
Loss for the period	(544)	(24)	(904)	(16)
Gain on sale of discontinued operations	-	-	-	800
(Loss)/profit from discontinued operations	(544)	(24)	(904)	784
Other comprehensive income	-	1,699	-	1,107
Total comprehensive (loss)/income	(544)	1,675	(904)	1,891
Total comprehensive (loss)/income for the period attributable to:				
<i>Equity holders of the Parent Company</i>	(544)	1,675	(904)	1,891
<i>Non-controlling interests</i>	-	-	-	-
	<u>(544)</u>	<u>1,675</u>	<u>(904)</u>	<u>1,891</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

6. Discontinued operations (continued)

(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 June 2023	31 December 2022
	AED “000” Reviewed	AED “000” Audited
Assets		
Non-current assets		
Property and equipment	1,444	1,581
Right of use assets	3,346	4,198
	<u>4,790</u>	<u>5,779</u>
Current assets		
Accounts receivable, net	1,015	752
Other current assets	72	38
	<u>1,087</u>	<u>790</u>
Total assets	<u>5,877</u>	<u>6,569</u>
Liabilities		
Non-current liabilities		
Employees’ end of service benefits	194	187
Lease liabilities	1,761	2,607
	<u>1,955</u>	<u>2,794</u>
Current liabilities		
Trade payables	82	59
Lease liabilities	1,672	1,646
Other current liabilities	209	392
Income tax provision	-	16
	<u>1,963</u>	<u>2,113</u>
Total liabilities	<u>3,918</u>	<u>4,907</u>
Net assets directly associated with disposal group	<u>1,959</u>	<u>1,662</u>

Cash flows from discontinued operations

	For the six-month period ended 30 June	
	2023	2022
	AED “000” Reviewed	AED “000” Reviewed
Net cash generated from/(used in) operating activities	925	(620)
Net cash used in financing activities	(925)	(887)
Net cash outflows	<u>-</u>	<u>(1,507)</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

6. Discontinued operations (continued)

(d) Sale of a subsidiary

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

	31 January 2022 AED "000"
Assets	
Non-current assets	
Property and equipment	488
Right of use assets	1,030
	<u>1,518</u>
Current assets	
Accounts receivable, net	414
Other current assets	15
Cash and cash equivalents	1,350
	<u>1,779</u>
Total assets	<u>3,297</u>
Liabilities	
Current liabilities	
Lease liabilities	1,209
Income tax provision	-
	<u>1,552</u>
Total liabilities	<u>1,552</u>
Net assets directly associated with disposal group	<u>1,745</u>

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 for the six-month period ended 30 June 2022.

During the six-month period ended 30 June 2023, an amount of AED 36,083 thousand was collected by the Group as a final settlement of the escrow account and there is no outstanding balance remaining as at 30 June 2023 (31 December 2022: AED 11,018 thousand was collected as a partial settlement of the escrow account).

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (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 January 2022 AED "000"
Consideration received or receivable:	
Cash	2,108
Total disposal consideration	<u>2,108</u>
Carrying amount of net assets sold (including goodwill recognised at the group level)	<u>(1,745)</u>
Gain on sale after income tax	363
True-up adjustment	<u>437</u>
Total gain on sale after income tax	<u><u>800</u></u>

In addition to the above, an amount of AED 1,194 thousand was recognised as a gain from the winding down of a subsidiary of Information Fort LLC during the year ended 31 December 2022.

7. Cash and bank balances

	30 June 2023 AED "000" Reviewed	31 December 2022 AED "000" Audited
Cash and cash equivalents	492,266	758,954
Restricted cash, margins and fixed deposits*	<u>9,494</u>	<u>9,488</u>
	<u><u>501,760</u></u>	<u><u>768,442</u></u>

Included in cash and cash equivalents are amounts totaling AED 49,744 thousand (31 December 2022: AED 503,758 thousand) of cash held at foreign banks abroad and amounts totaling approximately AED 64,546 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 2022: AED 60,738 thousand).

* Margins and bank deposits consist of margin deposits of AED 6,880 thousand (31 December 2022: AED 7,020 thousand), long-term deposits with maturities greater than 3 months of AED 2,614 thousand (31 December 2022: AED 2,779 thousand).

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

7. Cash and bank balances (continued)

The movement of cash at banks in Lebanon as at 30 June 2023 and 31 December 2022 classified under restricted cash was as follows:

	30 June 2023	31 December 2022
	AED “000” Reviewed	AED “000” Audited
Restricted cash	160	40
Less: impairment for expected credit losses	<u>(160)</u>	<u>(38)</u>
	-	2
Exchange rate difference	<u>-</u>	<u>(313)</u>
	<u>-</u>	<u>(311)</u>

Movement on expected credit losses was as follows:

	For the six-month period ended 30 June	
	2023	2022
	AED “000” Reviewed	AED “000” Reviewed
At 1 January	38	1,785
Charge/(reversal) for the period	<u>122</u>	<u>(759)</u>
At 30 June	<u><u>160</u></u>	<u><u>1,026</u></u>

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

	For the six-month period ended 30 June	
	2023	2022
	AED “000” Reviewed	AED “000” Reviewed
Cash and cash equivalents	492,266	581,872
Less: bank overdrafts	<u>(5,518)</u>	<u>(136,851)</u>
	<u><u>486,748</u></u>	<u><u>445,021</u></u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

8. Earnings per share

	For the three-month period ended 30 June		For the six-month period ended 30 June	
	2023 Reviewed	2022 Reviewed	2023 Reviewed	2022 Reviewed
<i>Profit attributable to the shareholders of Parent Company</i>				
Profit for the period from continuing operations (AED ‘000)	19,504	44,592	43,773	91,087
(Loss)/profit for the period from discontinued operations (AED ‘000)	(544)	(24)	(904)	784
	<u>18,960</u>	<u>44,568</u>	<u>42,869</u>	<u>91,871</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>0.013</u>	<u>0.030</u>	<u>0.030</u>	<u>0.062</u>
Basic and diluted earnings per share from discontinued operations (AED)	<u>0.000</u>	<u>0.000</u>	<u>(0.001)</u>	<u>0.001</u>

9. Bank overdrafts

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

	30 June 2023 AED “000” Reviewed	31 December 2022 AED “000” Audited
Aramex Algeria S.A.L. (Citibank)	3,543	-
Aramex Tunisia (Arab Bank)	1,975	1,520
Aramex International LLC (HSBC)	-	72,222
Aramex Special Logistics (Citibank)	-	57,611
	<u>5,518</u>	<u>131,353</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (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 chief operating decision maker examines the Group's performance both from a product and geographic perspective and has identified two operating segments of its business:

Aramex

This operating segment comprises three units attributable to the respective revenue streams:

- 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

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.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

10. Segment information (continued)

The following table presents revenue and profit information for each of the Group's operating segments and their respective units for the six-month periods ended 30 June 2023 and 2022, respectively

	<i>Courier*</i> AED'000	<i>Freight forwarding</i> AED'000	<i>Logistics</i> AED'000	<i>Others</i> AED'000	<i>Total</i> AED'000
Six-month period ended 30 June 2023					
Total revenues from rendering of services**	2,359,181	888,057	213,673	64,070	3,524,981
Inter-segment	(518,522)	(144,015)	(413)	(41,695)	(704,645)
Total revenues after elimination	<u>1,840,659</u>	<u>744,042</u>	<u>213,260</u>	<u>22,375</u>	<u>2,820,336</u>
Gross profit	<u>534,347</u>	<u>117,752</u>	<u>32,500</u>	<u>18,947</u>	<u>703,546</u>
Earnings before interest and tax	<u>68,091</u>	<u>36,070</u>	<u>3,532</u>	<u>8,069</u>	<u>115,762</u>
Depreciation and amortisation	<u>120,904</u>	<u>13,931</u>	<u>45,125</u>	<u>735</u>	<u>180,695</u>
Six-month period ended 30 June 2022					
Total revenues from rendering of services**	2,523,928	1,002,515	224,349	54,540	3,805,332
Inter-segment	(627,385)	(178,973)	(487)	(32,966)	(839,811)
Total revenues after elimination	<u>1,896,543</u>	<u>823,542</u>	<u>223,862</u>	<u>21,574</u>	<u>2,965,521</u>
Gross profit	<u>553,288</u>	<u>109,954</u>	<u>41,616</u>	<u>17,865</u>	<u>722,723</u>
Earnings before interest and tax	<u>91,841</u>	<u>31,959</u>	<u>10,970</u>	<u>3,805</u>	<u>138,575</u>
Depreciation and amortisation	<u>123,956</u>	<u>14,417</u>	<u>44,766</u>	<u>2,489</u>	<u>185,628</u>

* Courier unit includes international express, domestic express, and operations of Access Shipping LLC ("MyUS").

** Revenues are being recognised over time, when the services are rendered.

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.

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 consolidated statement of profit or loss as a result of this change.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

10. Segment information (continued)

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

	For the six-month period ended 30	
	June	
	2023	2022
	AED “000”	AED “000”
	Reviewed	Reviewed
Revenue		
United Arab Emirates	490,833	532,095
Gulf Cooperation Council excluding United Arab Emirates	630,933	636,089
Middle East, North Africa and Turkey	343,808	388,326
East and South Africa	156,795	176,299
Europe	385,147	379,437
North America	295,705	150,946
North Asia	74,261	180,600
South Asia	197,046	258,573
Oceania	245,808	263,156
	<u>2,820,336</u>	<u>2,965,521</u>

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

	30 June	31 December
	2023	2022
	AED “000”	AED “000”
	Reviewed	Audited
Assets		
United Arab Emirates	1,677,974	1,904,703
Gulf Cooperation Council excluding United Arab Emirates	738,657	695,569
Middle East, North Africa and Turkey	552,584	589,930
East and South Africa	160,707	165,603
Europe	549,883	573,126
North America	1,129,087	1,188,132
North Asia	75,915	86,033
South Asia	244,906	237,771
Oceania	651,911	651,642
	<u>5,781,624</u>	<u>6,092,509</u>
Non-current assets*		
United Arab Emirates	687,172	706,716
Gulf Cooperation Council excluding United Arab Emirates	342,824	299,698
Middle East, North Africa and Turkey	243,771	251,885
East and South Africa	52,866	60,466
Europe	152,346	147,615
North America	192,178	205,763
North Asia	15,392	22,772
South Asia	77,741	63,906
Oceania	367,012	352,390
	<u>2,131,302</u>	<u>2,111,211</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

10. Segment information (continued)

	30 June 2023	31 December 2022
	AED “000” Reviewed	AED “000” Audited
Liabilities		
United Arab Emirates	598,373	795,360
Gulf Cooperation Council excluding United Arab Emirates	646,779	583,134
Middle East, North Africa and Turkey	235,247	249,135
East and South Africa	76,693	77,032
Europe	629,845	630,571
North America	647,885	662,226
North Asia	34,543	49,782
South Asia	88,982	86,816
Oceania	437,505	440,065
	<u>3,395,852</u>	<u>3,574,121</u>

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

11. Related party transactions and balances

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

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

Key management compensation

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

	For the six-month period ended 30 June	
	2023	2022
	AED “000” Reviewed	AED “000” Reviewed
Salaries and other short-term benefits	5,002	4,598
Board remuneration	1,493	2,120
End of service benefits	205	241
	<u>6,700</u>	<u>6,959</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

11. Related party transactions and balances (continued)

The following table provides the total amount of transactions that have been entered into with related parties during the six-month period ended 30 June 2023 and 2022, as well as balances with related parties as at 30 June 2023 and 31 December 2022:

		Sales to related parties AED'000	Cost from related parties AED'000	Amounts owed by related parties (a) AED'000	Amounts owed to related parties (b) AED'000
Associates:	2023	<u>1,169</u>	<u>638</u>	<u>11</u>	<u>2,134</u>
	2022	<u>1,643</u>	<u>854</u>	<u>23</u>	<u>1,276</u>
Joint ventures in which the Parent Company is a venturer:	2023	<u>20,474</u>	<u>362</u>	<u>7,530</u>	<u>2,676</u>
	2022	<u>65,048</u>	<u>222</u>	<u>9,865</u>	<u>12,885</u>
Related parties and companies controlled by shareholders:	2023	<u>84,964</u>	<u>-</u>	<u>37,840</u>	<u>1,758</u>
	2022	<u>75,044</u>	<u>-</u>	<u>32,498</u>	<u>873</u>

(a) These amounts are classified as accounts receivable.

(b) These amounts are classified as accounts payable.

12. Contingent liabilities and commitments

	30 June 2023 AED "000" Reviewed	31 December 2022 AED "000" Audited
Letters of guarantee	<u>165,613</u>	<u>162,881</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

13. Seasonality of operations

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

14. Legal claims

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

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

As of 30 June 2023, the Group is a defendant in a number of lawsuits amounting to AED 113,155 thousand (31 December 2022: AED 118,376 thousand) representing claims in connection with normal ordinary course of business. Management and its legal advisors believe that the provision recorded of AED 36,669 thousand as of 30 June 2023 is sufficient to meet the obligations that may arise from the lawsuits (31 December 2022: AED 39,217 thousand).

15. Corporate tax law

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 from 1 June 2023 and accordingly, it has an income tax related impact on the financial statements for accounting periods beginning on or after 1 June 2023.

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.

The Group will be subject to CT commencing 1 January 2024. Based on the information available to date, the Group assessed the deferred tax implications and concluded it is not expected to be significant as of and for the six-month period ended 30 June 2023. As certain other cabinet decisions are pending as on the date of the condensed interim consolidated financial information for the six-month period ended 30 June 2023, the Group will continue to assess the impact of these pending cabinet decisions on deferred taxes as and when finalised and published. Impact if any, will be accordingly reflected in the Group's financial statements when such additional information will be substantively issued.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

15. Corporate tax law (continued)

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.

16. Non-cash transactions

	For the six-month period ended 30	
	June	
	2023	2022
	AED “000”	AED “000”
	Reviewed	Reviewed
Additions of right of use assets	154,590	203,529
Disposal of right of use assets	7,008	16,550
Dividends to non-controlling interests	-	387

17. Acquisition arrangement

Acquisition of Access Shipping LLC

On 1 June 2022, Aramex USA Ltd. (the “Acquirer”), a subsidiary of Aramex PJSC entered into an acquisition arrangement through a Sale and Purchase Agreement (SPA) to acquire 100% equity securities of “Access Shipping LLC” (the “Acquired Company”); a cross-border e-commerce platform, providing cost-effective package forwarding solutions to customers for an approximate consideration value of AED 941 million. The completion date for the acquisition was on 18 October 2022 (the “acquisition date”). The acquisition is in line with the Group’s strategy to expand its cross-border operations and to capitalise on the attractive growth opportunities from a fast-growing global e-commerce space. The acquisition is expected to unlock several benefits for both entities, including operational synergies and improved efficiencies, shared technology platforms and the opportunity to service new markets.

Purchase consideration and identifiable net assets acquired

The acquisition has been accounted for using the acquisition method of accounting and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at provisional fair value on the acquisition date. The provisional fair value of assets and liabilities have been determined by management.

The purchase consideration has been allocated to the acquired assets and liabilities using their provisional fair values at the acquisition date. The computation of the purchase consideration and its allocation to the net assets of the Acquired Company is based on their respective provisional fair values as of acquisition date.

The allocation of the purchase price may be modified within a period of twelve months from the date of business combination, as more information is obtained about the fair value of assets acquired and liabilities assumed, including alignment in business model, if needed.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

17. Acquisition arrangement (continued)

Purchase consideration and identifiable net assets acquired

The acquisition-date provisional fair value of the total purchase consideration and its components are as follows:

	18 October 2022 AED "000" Audited
Consideration value	940,824
Escrow on acquisition	18,364
Consideration adjustments	<u>(3,459)</u>
Total consideration transferred	<u>955,729</u>

The provisional fair value of identifiable assets and liabilities of the Acquired Company as at the acquisition date was as follows:

Assets acquired and liabilities assumed

	Fair values recognised on acquisition AED "000" Audited
Assets	
Property and equipment	25,139
Intangible assets (Brand)	37,963
Intangible assets (Customer Relationships - B2B)	11,730
Intangible assets (Customer Relationships - B2C)	48,705
Intangible assets (Software)	42,789
Accounts receivable, net	6,746
Other current assets	3,598
Cash and cash equivalents	<u>12,696</u>
	<u>189,366</u>
Liabilities	
Accounts payable	4,982
Other current liabilities	<u>33,637</u>
	<u>38,619</u>
Total net identifiable assets at fair value	150,747
Purchase consideration	<u>(940,824)</u>
Goodwill	<u>790,077</u>

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

17. Acquisition arrangement (continued)

Assets acquired and liabilities assumed (continued)

Effective 18 October 2022, the Group took over all assets and assumed all liabilities of Access Shipping LLC. Accordingly, the acquired Company discontinued its operations effective 18 October 2022 (“the integration date”). No further operations are conducted since then. Any potential claims arising in future will be honored by the Parent company. Subsequent to the integration, Access Shipping LLC has started the process of transferring the legal title of various assets to the acquirer. The transfer process has been completed for all assets and liabilities. Whilst legal ownership of assets being transferred is with Access Shipping LLC, the beneficial ownership of these assets rests with the Group.

Impact of the acquisitions on the results of the Group

Acquired receivables

The provisional fair value of acquired trade receivables is AED 6,746 thousand. The gross contractual amount for trade receivables due is AED 10,644 thousand, with a loss allowance of AED 3,898 thousand recognised on acquisition.

Separate identifiable intangible assets for acquisitions

As at the acquisition date the provisional fair value of the separate identifiable intangible assets arising out of the acquisition amounted to AED 98,398 thousand. This fair value, which is classified as level 3 in the fair value hierarchy, was determined using the following valuation techniques:

- Relief from royalty valuation technique for the brand-based intangible asset.
- Multi-year excess earnings method (MEEM) valuation technique for contract-based intangible assets relating to customer relationships (B2B and B2C).
- Cost to create valuation technique for the software-based intangible asset.

The valuation of the intangibles assets as well as the discount rates applied were determined by management.

The significant unobservable valuation inputs used were discount rates of 11% and terminal growth rates of 3%.

The assumptions used in arriving at projected cash flows were based on past experience and adjusted for any expected changes.

ARAMEX PJSC AND ITS SUBSIDIARIES
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2023 (CONTINUED)

17. Acquisition arrangement (continued)

Separate identifiable intangible assets for acquisitions (continued)

Post-combination expenses

The Group has entered into a deferred proceeds agreement in the amount of AED 26,496 thousand with executive management of MyUS who held a minority share interest in the Acquired Company prior to the acquisition. The payout of the deferred proceeds is based on the number of shares held and key performance indicators met relating to achieving target revenues and earnings before interest, taxes, depreciation, and amortisation for 2023 and 2024 calendar years. The payout is contingent upon continuing employment and will be expensed in the post-combination period.

18. Event after the reporting period

On 25 July 2023, an amount of AED 11,287 thousand was collected from the escrow receivable balance related to the acquisition of Access Shipping LLC “MyUS”. The Group considers this a non-adjusting subsequent event.