ARAMEX PJSC AND ITS SUBSIDIARIES

UNAUDITED CONDENSED INTERIM CONSOLIDATED FINANCIAL INFORMATION

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

Aramex PJSC and its subsidiaries

Review report and condensed interim consolidated financial information for the three-month period ended 31 March 2023

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

Introduction

We have reviewed the accompanying condensed interim consolidated statement of financial position of Aramex PJSC (“the Company”) and its subsidiaries (together referred to as “the Group”) as at 31 March 2023 and the related condensed interim consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of this condensed interim consolidated financial information in accordance with International Accounting Standard 34 'Interim Financial Reporting' (“IAS 34”). Our responsibility is to express a conclusion on this condensed interim consolidated financial information based on our review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers
10 May 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 and Rami Sarhan are registered as practising auditors with the UAE Ministry of Economy

ARAMEX PJSC AND ITS SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

	Note	31 March 2023 AED "000" Reviewed	31 December 2022 AED "000" Audited
Assets			
Non-current assets			
Property and equipment		864,981	883,697
Right of use assets		907,905	860,524
Goodwill		1,757,680	1,757,680
Other intangible assets		320,964	324,362
Investments in joint ventures and associates		25,531	24,961
Financial assets at fair value through other comprehensive income		17,659	17,667
Deferred tax assets		27,859	28,135
Other non-current assets		5,536	5,912
		3,928,115	3,902,938
Current assets			
Accounts receivable, net		1,113,713	1,130,410
Other current assets		271,031	284,150
Restricted cash, margins and fixed deposits	6	9,612	9,488
Cash and cash equivalents	6	712,247	758,954
		2,106,603	2,183,002
Assets held for sale	5	6,185	6,569
Total assets		6,040,903	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		(547,489)	(529,432)
Reserve arising from acquisition of non-controlling interests		(329,908)	(329,908)
Reserve arising from other comprehensive income items		(11,806)	(11,804)
Retained earnings		1,468,742	1,444,833
Equity attributable to equity holders of the Parent Company		2,515,373	2,509,523
Non-controlling interests		8,880	8,865
Total equity		2,524,253	2,518,388
Liabilities			
Non-current liabilities			
Interest-bearing loans and borrowings		1,087,207	1,086,304
Lease liabilities		784,551	757,036
Employees' end of service benefits		162,637	164,136
Deferred tax liabilities		30,172	30,828
Other non-current liabilities		14,343	15,960
		2,078,910	2,054,264
Current liabilities			
Accounts payable		311,788	324,776
Lease liabilities		185,955	181,687
Bank overdrafts	8	41,340	131,353
Interest-bearing loans and borrowings		48,483	38,865
Income tax provision		53,500	46,038
Provisions		53,388	57,088
Other current liabilities		738,756	735,143
		1,433,210	1,514,950
Liabilities held for sale	5	4,530	4,907
Total liabilities		3,516,650	3,574,121
Total equity and liabilities		6,040,903	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 Alshamsi
(Chairman)

Othman Aljeda
(Chief Executive Officer)

Nicolas Sibuet
(Chief Financial Officer)

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

	Note	For the three-month period ended 31 March 2023 AED "000" Reviewed	2022 AED "000" Reviewed
Continuing operations			
Rendering of services		1,431,496	1,448,932
Cost of services		(1,073,496)	(1,104,832)
Gross profit		358,000	344,100
Selling and marketing expenses		(71,390)	(58,785)
Administrative expenses		(209,421)	(214,113)
Net impairment loss on financial assets		(12,899)	(4,547)
Other (expenses)/income, net		(1,290)	8,351
Operating profit		63,000	75,006
Finance income		2,436	991
Finance costs		(30,466)	(12,840)
Share of results of joint ventures and associates		490	3,556
Profit before income tax		35,460	66,713
Income tax expense		(10,898)	(19,736)
Profit for the period		24,562	46,977
Discontinued operations			
(Loss)/profit after tax for the period from discontinued operations	5	(360)	8
Gain on sale of a subsidiary	5	-	800
Profit for the period		24,202	47,785
Attributable to:			
Equity holders of the Parent			
Profit for the period from continuing operations		24,269	46,494
(Loss)/profit for the period from discontinued operations	5	(360)	808
		23,909	47,302
Non-controlling interests			
Profit for the period from continuing operations		293	483
Profit for the period from discontinued operations		-	-
		293	483
Earnings per share attributable to the equity holders of the Parent Company:			
Basic and diluted earnings per share from continuing operations/AED	7	0.0166	0.0318
Basic and diluted earnings per share from discontinued operations/AED	7	(0.0002)	0.0006

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

	For the three-month period ended 31 March	
	2023 AED "000" Reviewed	2022 AED "000" Reviewed
Profit for the period	24,202	47,785
Other comprehensive income		
Other comprehensive loss to be reclassified to the condensed interim consolidated statement of profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(11,700)	(28,370)
Impact of hyperinflation	1,912	(7,995)
	(9,788)	(36,365)
Other comprehensive (loss)/gain not to be reclassified to the condensed interim consolidated statement of profit or loss in subsequent periods:		
(Loss)/gain on equity instruments at fair value through other comprehensive income	(7)	134
Remeasurements of post-employment benefits obligations through other comprehensive income	5	(7)
	(2)	127
Other comprehensive loss for the period, net of tax	(9,790)	(36,238)
Total comprehensive income for the period	14,412	11,547
Attributable to:		
Equity holders of the Parent Company	14,397	11,281
Non-controlling interests	15	266
	14,412	11,547
Total comprehensive income attributable to equity holders of the Parent Company arises from:		
Continuing operations	14,757	11,064
Discontinued operations	(360)	217
	14,397	11,281

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

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023

	Attributable to equity holders of the Parent Company								
	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-month period ended 31 March 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	-	-	(8,547)	-	-	-	(8,547)	-	(8,547)
At 1 January 2023 (adjusted)	1,464,100	471,734	(537,979)	(329,908)	(11,804)	1,444,833	2,500,976	8,865	2,509,841
Profit for the period	-	-	-	-	-	23,909	23,909	293	24,202
Other comprehensive loss	-	-	(9,510)	-	(2)	-	(9,512)	(278)	(9,790)
Total comprehensive (loss)/income for the period	-	-	(9,510)	-	(2)	23,909	14,397	15	14,412
Balance at 31 March 2023	1,464,100	471,734	(547,489)	(329,908)	(11,806)	1,468,742	2,515,373	8,880	2,524,253
For the three-month period ended 31 March 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	-	-	458	-	-	-	458	-	458
At 1 January 2022 (adjusted)	1,464,100	440,802	(398,071)	(329,759)	(12,008)	1,500,570	2,665,634	10,817	2,676,451
Profit for the period	-	-	-	-	-	47,302	47,302	483	47,785
Other comprehensive (loss)/income	-	-	(36,148)	-	127	-	(36,021)	(217)	(36,238)
Total comprehensive (loss)/income for the period	-	-	(36,148)	-	127	47,302	11,281	266	11,547
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(449)	(449)
Balance at 31 March 2022	1,464,100	440,802	(434,219)	(329,759)	(11,881)	1,547,872	2,676,915	10,634	2,687,549

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

	Note	For the three-month period ended 31 March	
		2023 AED "000" Reviewed	2022 AED "000" Reviewed
OPERATING ACTIVITIES			
Profit before tax from continuing operations		35,460	66,713
(Loss)/profit before tax from discontinued operations	5	(378)	832
Profit before tax		35,082	67,545
Adjustments for			
Depreciation of property and equipment		27,880	27,620
Depreciation of right of use assets		59,381	66,011
Amortisation of other intangible assets		3,398	692
Loss on sale of property and equipment		171	4,901
Provision for employees' end of service benefits		6,861	6,035
Net impairment loss on financial assets		13,019	4,942
Finance costs – borrowings		18,787	2,514
Finance costs – lease liabilities		11,734	10,353
Finance income		(2,436)	(991)
Gain on sale of a subsidiary	5	-	(800)
Gain on disposal of right of use assets and lease liabilities		(65)	-
Share of results of joint ventures and associates		(490)	(3,556)
		173,322	185,266
Working capital adjustments:			
Accounts receivable		3,774	50,503
Other current assets		(22,887)	(16,854)
Accounts payables		(12,651)	(32,386)
Provisions		(3,700)	(819)
Other current liabilities		(10,772)	(48,905)
Other non-current liabilities		(1,619)	-
Net cash flows generated from operating activities before income tax and employees' end of service benefits paid		125,467	136,805
Income tax paid		(4,201)	(15,971)
Employees' end of service benefits paid		(6,805)	(6,375)
Net cash flows generated from operating activities		114,461	114,459
INVESTING ACTIVITIES			
Purchase of property and equipment	3	(20,327)	(15,766)
Proceeds from sale of property and equipment		1,975	708
Proceeds from sale of a subsidiary		36,083	2,545
Net cash disposed from discontinued operations		-	165
Finance income received		2,436	991
Other non-current assets		377	16
Restricted cash		(117)	(815)
Margins deposits		165	218
Fixed deposits		22	(90)
Net cash flows generated from/(used in) investing activities		20,614	(12,028)

	Note	For the three-month period ended 31 March 2023 AED "000" Reviewed	2022 AED "000" Reviewed
FINANCING ACTIVITIES			
Finance costs paid		(16,030)	(12,262)
Proceeds from interest-bearing loans and borrowings		25,482	1,601
Repayment of interest-bearing loans and borrowings		(18,008)	(2,804)
Principal elements of lease liabilities		(84,606)	(82,244)
Dividends paid to non-controlling interests		-	(449)
Net cash flows used in financing activities		(93,162)	(96,158)
Net increase in cash and cash equivalents (net of bank overdrafts)		41,913	6,273
Net foreign exchange difference		1,394	(16,761)
Cash and cash equivalents at 1 January (net of bank overdrafts)		627,600	558,687
Cash and cash equivalents at 31 March (net of bank overdrafts)	6	670,907	548,199

Non-cash transactions are disclosed in Note 15.

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

This condensed interim consolidated financial information was authorised for issue by the Board of Directors on 10 May 2023.

2. Summary of significant accounting polices

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 31 March 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).

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.

2. Summary of significant accounting polices (continued)

2.1 Basis of preparation (continued)

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 polices

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.

2. Summary of significant accounting polices (continued)

2.2 Changes in accounting polices (continued)

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); and
(b) Leases on sale and leaseback – Amendments to IFRS 16 (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. Property and equipment

During the three-month period ended 31 March 2023, the Group purchased AED 20 million (three-month period ended 31 March 2022: AED 16 million) of various types of property and equipment.

4. Right of use assets and lease liabilities

During the three-month period ended 31 March 2023, additions of right of use assets and lease liabilities amounting to AED 119 million were recognised (three-month period ended 31 March 2022: AED 87 million) under various categories.

5. 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.

5. Discontinued operations (continued)

(A) Description (continued)

(ii) Group of assets disposed

As at 31 March 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.

(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 31 March	
	2023 AED "000" Reviewed	2022 AED "000" Reviewed
Rendering of services	955	1,907
Cost of services	(940)	(1,181)
Gross profit	15	726
Selling and marketing expenses	(78)	(132)
Administrative expenses	(65)	(93)
Net impairment loss on financial assets	(120)	(395)
Other expenses, net	(75)	(47)
Operating (loss)/profit	(323)	59
Finance costs	(55)	(27)
(Loss)/profit before tax	(378)	32
Income tax credit/(expense)	18	(24)
(Loss)/profit for the period	(360)	8
Gain on sale of discontinued operations	-	800
(Loss)/profit from discontinued operations	(360)	808
Other comprehensive income	-	(591)
Total comprehensive (loss)/income	(360)	217
Total comprehensive (loss)/income for the period attributable to:		
Equity holders of the Parent Company	(360)	217
Non–controlling interests	-	-
	(360)	217

5. 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:

	31 March 2023	31 December 2022
	AED "000"	AED "000"
	Reviewed	Audited
Assets		
Non-current assets		
Property and equipment	1,513	1,581
Right-of-use assets	3,772	4,198
	5,285	5,779
Current assets		
Accounts receivable, net	860	752
Other current assets	40	38
	900	790
Total assets	6,185	6,569
Liabilities		
Non-current liabilities		
Employees' end of service benefits	188	187
Lease liabilities	2,187	2,607
	2,375	2,794
Current liabilities		
Trade payables	26	59
Lease liabilities	1,659	1,646
Other current liabilities	470	392
Income tax provision	-	16
	2,155	2,113
Total liabilities	4,530	4,907
Net assets directly associated with disposal group	1,655	1,662

Cash flows from discontinued operations:

	For the three-month period ended 31 March	
	2023	2022
	AED "000"	AED "000"
	Reviewed	Reviewed
Net cash generated from operating activities	462	1,056
Net cash used in investing activities	-	-
Net cash used in financing activities	(462)	(636)
Net cash inflows	-	420

5. 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 July 2022 AED "000"	31 January 2022 AED "000"	31 August 2021 AED "000"
Assets			
Non-current assets			
Property and equipment	281	488	78,891
Right of use assets	195	1,030	45,843
Goodwill	-	-	6,438
Other intangible assets	-	-	892
Deferred tax assets	-	-	925
	476	1,518	132,989
Current assets			
Accounts receivable, net	526	414	31,542
Other current assets	8	15	21,694
Cash and cash equivalents	-	1,350	43,430
	534	1,779	96,666
Total assets	1,010	3,297	229,655
Liabilities			
Non-current liabilities			
Employees' end of service benefits	115	-	15,393
Lease liabilities	-	-	38,994
Deferred tax liabilities	-	-	1,251
	115	-	55,638
Current liabilities			
Trade payables	301	-	6,794
Lease liabilities	179	1,209	8,661
Other current liabilities	243	343	61,001
Income tax provision	-	-	2,240
	723	1,552	78,696
Total liabilities	838	1,552	134,334
Non-controlling interests	-	-	3,223
Net assets directly associated with disposal group	172	1,745	92,098

In accordance with the SPA, a receivable amount of AED 47,101 thousand was initially recorded by the management from the remaining balance available in the escrow account based on an estimate of potential claims and true-up adjustments from the available information as at the reporting date, which was fully collected in subsequent periods. The adjustments have been recognised prospectively as changes in estimates in the condensed interim consolidated statement of profit or loss in the period when they took place as a result of procedures described in the SPA, as well as the result of the Purchaser identifying any amounts that would represent claims as defined in the SPA.

5. Discontinued operations (continued)

(D) Sale of a subsidiary (continued)

As at 31 August 2021, the fair value of the consideration was determined to be AED 335,157 thousand.

During February 2022, the Group received an amount of AED 437 thousand as a true-up adjustment to the initial escrow account, recognised as gain in the condensed interim consolidated statement of profit or loss.

During the three-month period ended 31 March 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 in the escrow account as at 31 March 2023 (31 December 2022: AED 11,018 thousand was collected as a partial settlement of the escrow account).

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

	31 July 2022 AED "000"	31 January 2022 AED "000"	31 August 2021 AED "000"
Consideration received or receivable:			
Cash	1,693	2,108	288,056
Receivable	-	-	47,101
Total disposal consideration	1,693	2,108	335,157
Carrying amount of net assets sold (including goodwill recognised at the group level)	(172)	(1,745)	(237,327)
Gain on sale before income tax, reclassification of foreign currency translation reserve and costs to sell	1,521	363	97,830
Reclassification of foreign currency translation reserve	-	-	(47,703)
Cash withheld related to products of Information Fort LLC not yet sold	-	-	(5,104)
Costs to sell	-	-	(13,415)
Gain on sale after income tax	1,521	363	31,608
True-up adjustment	-	437	-
Total gain on sale after income tax	1,521	800	31,608

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.

6. Cash and bank balances

	31 March 2023	31 December 2022
	AED "000" Reviewed	AED "000" Audited
Cash and cash equivalents	712,247	758,954
Restricted cash, margins and fixed deposits*	9,612	9,488
	721,859	768,442

Included within cash and cash equivalents are amounts totalling AED 529,852 thousand (31 December 2022: AED 503,758 thousand) of cash held at foreign banks abroad and amounts totalling approximately AED 54,398 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 6,998 thousand (31 December 2022: AED 7,020 thousand) and long-term deposits with maturities greater than 3 months of AED 2,614 thousand (31 December 2022: AED 2,779 thousand).

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

	31 March 2023	31 December 2022
	AED "000" Reviewed	AED "000" Audited
Restricted cash	157	40
Less: impairment for expected credit losses	(157)	(38)
	-	2
Exchange rate difference	-	(313)
	-	(311)

Movement on expected credit losses was as follows:

	For the three-month period ended 31 March	
	2023	2022
	AED "000" Reviewed	AED "000" Reviewed
At 1 January	38	1,785
Charge for the period	119	357
At 31 March	157	2,142

6. Cash and bank balances (continued)

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

	For the three-month period ended 31 March	
	2023 AED "000" Reviewed	2022 AED "000" Reviewed
Cash and cash equivalents	712,247	704,333
Less: bank overdrafts	(41,340)	(156,134)
	670,907	548,199

7. Earnings per share

	For the three-month period ended 31 March	
	2023 AED "000" Reviewed	2022 AED "000" Reviewed
Profit attributable to the shareholders of the Parent Company		
Profit for the period from continuing operations	24,269	46,494
(Loss)/profit for the period from discontinued operations	(360)	808
	23,909	47,302
Weighted average number of shares during the period (shares)	1,464 million	1,464 million
Basic and diluted earnings per share from continuing operations (AED)	0.0166	0.0318
Basic and diluted earnings per share from discontinued operations (AED)	(0.0002)	0.0006

8. Bank overdrafts

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

	31 March 2023	31 December 2022
	AED "000" Reviewed	AED "000" Audited
Aramex International LLC (HSBC)	34,966	72,222
Aramex Algeria S.A.L. (Citibank)	3,622	-
Aramex Tunisia (Arab Bank)	2,752	1,520
Aramex Special Logistics (Citibank)	-	57,611
	41,340	131,353

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 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 four reportable segments of its business:

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

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

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

9. Segment information (continued)

The following table presents revenue and profit information for each of the Group's operating segments for the three-month periods ended 31 March 2023 and 2022, respectively:

	*Courier** AED "000"	*Freight forwarding* AED "000"	*Logistics* AED "000"	*Others* AED "000"	*Total* AED "000"
Three-month period ended 31 March 2023					
Total revenues from rendering of services**	1,185,213	456,661	107,248	30,156	1,779,278
Inter-segment	(256,980)	(71,229)	(204)	(19,369)	(347,782)
Total revenues after elimination	928,233	385,432	107,044	10,787	1,431,496
Gross profit	271,432	61,151	16,203	9,214	358,000
Earnings before interest and tax	37,804	20,526	2,150	2,520	63,000
Depreciation and amortisation	59,639	7,150	22,738	635	90,162
Three-month period ended 31 March 2022					
Total revenues from rendering of services**	1,240,162	478,737	112,352	22,751	1,854,002
Inter-segment	(304,545)	(87,604)	(247)	(12,674)	(405,070)
Total revenues after elimination	935,617	391,133	112,105	10,077	1,448,932
Gross profit	270,549	52,053	13,171	8,327	344,100
Earnings before interest and tax	51,222	14,773	5,792	3,219	75,006
Depreciation and amortisation	62,513	6,886	22,970	1,297	93,666

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

**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.

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-month period ended 31 March	
	2023 AED "000" Reviewed	2022 AED "000" Reviewed
Revenue		
United Arab Emirates	248,876	254,965
Gulf Cooperation Council excluding United Arab Emirates	317,961	317,486
Middle East, North Africa and Turkey	174,155	189,475
East and South Africa	84,354	87,125
Europe	194,734	182,512
North America	151,936	74,423
North Asia	35,890	86,026
South Asia	98,532	124,197
Oceania	125,058	132,723
	1,431,496	1,448,932

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

	31 March 2023 AED "000" Reviewed	31 December 2022 AED "000" Audited
Assets		
United Arab Emirates	1,786,305	1,904,703
Gulf Cooperation Council excluding United Arab Emirates	764,025	695,569
Middle East, North Africa and Turkey	550,714	589,930
East and South Africa	175,327	165,603
Europe	596,467	573,126
North America	1,186,692	1,188,132
North Asia	79,478	86,033
South Asia	253,135	237,771
Oceania	648,760	651,642
	6,040,903	6,092,509

9. Segment information (continued)

Industry segment and geographical allocation (continued)

	31 March 2023	31 December 2022
	AED "000" Reviewed	AED "000" Audited
Non-current assets*		
United Arab Emirates	691,990	706,716
Gulf Cooperation Council excluding United Arab Emirates	359,443	299,698
Middle East, North Africa and Turkey	230,180	251,885
East and South Africa	57,451	60,466
Europe	152,526	147,615
North America	198,640	205,763
North Asia	19,438	22,772
South Asia	78,249	63,906
Oceania	349,123	352,390
	2,137,040	2,111,211
Liabilities		
United Arab Emirates	642,377	795,360
Gulf Cooperation Council excluding United Arab Emirates	672,185	583,134
Middle East, North Africa and Turkey	229,624	249,135
East and South Africa	81,564	77,032
Europe	647,384	630,571
North America	667,740	662,226
North Asia	40,293	49,782
South Asia	101,487	86,816
Oceania	433,996	440,065
	3,516,650	3,574,121

* 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.

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.

10. Related party transactions and balances (continued)

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 during the period comprises the following:

	For the three-month period ended 31 March	
	2023 AED "000" Reviewed	2022 AED "000" Reviewed
Salaries and other short-term benefits	2,501	1,655
Board remuneration	747	1,060
End of service benefits	102	90
	3,350	2,805

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 2023 and 2022, as well as balances with related parties as at 31 March 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	401	313	25	1,126
	2022	1,332	397	23	1,276
Joint ventures in which the Parent Company is a venturer:					
	2023	8,358	176	4,311	6,202
	2022	31,889	113	9,865	12,885
Related parties and companies controlled by shareholders:					
	2023	43,166	-	61,556	1,238
	2022	39,408	-	32,498	873

10. Related party transactions and balances (continued)

Other transactions and balances with related parties (continued)

(a) These amounts are classified as accounts receivable.

(b) These amounts are classified as accounts payable.

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

11. Contingent liabilities and commitments

	31 March 2023 AED "000" Reviewed	31 December 2022 AED "000" Audited
Letters of guarantee	166,731	162,881

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 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 2023, the Group is a defendant in a number of lawsuits amounting to AED 101,627 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 35,379 thousand as of 31 March 2023 is sufficient to meet the obligations that may arise from the lawsuits (31 December 2022: AED 39,217 thousand).

14. Income tax

On 16 January 2023 the UAE government published a Cabinet Decision setting the threshold at which the new Corporate Income Tax will apply. This event made the Corporate Income Tax substantively enacted and enacted within the meaning of IAS 12. Current taxes will only be payable for financial years beginning on or after 1 June 2023 so the Group's UAE based subsidiaries will be subject to current tax for the first time during the year ending 31 December 2024.

However, enactment of the legislation requires the Group to record deferred taxes using the enacted rate of 9%. The impact of any future changes in enacted law will be accounted for when such changes are substantively enacted or enacted. Management acknowledges that a number of regulations with regards to the application of tax legislation are yet to be published and as such management will continue to monitor developments in order to assess the impact of corporate tax including any deferred tax on the Group. Accordingly, per the management assessment the impact is not material on the current period condensed interim consolidated financial information.

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.

15. Non-cash transactions

	For the three-month period ended 31 March	
	2023 AED "000" Reviewed	2022 AED "000" Reviewed
Additions to right of use assets and lease liabilities	119,477	87,190
Disposal of right of use assets	3,495	11,137

16. 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.

16. Acquisition arrangement (continued)

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.

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	(3,459)
Total consideration transferred	955,729

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	12,696
	189,366

16. Acquisition arrangement (continued)

Assets acquired and liabilities assumed (continued)

	Fair values recognised on acquisition AED "000" Audited
Liabilities	
Accounts payable	4,982
Other current liabilities	33,637
	38,619
Total net identifiable assets at fair value	150,747
Purchase consideration	(940,824)
Goodwill	790,077

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.

16. Acquisition arrangement (continued)

Separate identifiable intangible assets for acquisitions (continued)

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.

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.

17. Subsequent event

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).