ARAMEX PJSC AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

ARAMEX Annual Report 2024
Chairman Statement

A year of pivotal strategic developments has reinforced our position as a leading global logistics and transportation company while delivering double digit topline growth, operational advancements, and a steadfast commitment to sustainability.

As we reflect on 2024, I am pleased to report that Aramex has navigated a complex global landscape with resilience and strategic foresight. Throughout the year, the Board of Directors has guided Aramex with a sharp focus on creating long-term value for shareholders by prioritising growth, innovation, and sustainability.

Global Economic Landscape

The global economy faced numerous challenges in 2024, including inflationary pressures and market fluctuations led by geopolitical developments. Despite these headwinds, the GCC region demonstrated remarkable resilience. Economic forecasts project a GDP growth of 4.5% in 2025 for the GCC[1], and a 7.8% growth in non-oil sector, outpacing many global markets. This growth is underpinned by strong government investments and rising consumer spending, particularly in the e-commerce sector, which is forecasted to grow at a compound annual rate of 18% over the next five years.

As global trade patterns evolve, businesses are reconfiguring their supply chains to enhance resilience, reduce lead times, and improve operational agility. This shift is driving the acceleration of nearshoring, as companies move production and inventory closer to key markets. Geopolitical shifts, evolving trade policies, and advancements in automation are further amplifying this trend, compelling businesses to rethink their logistics strategies.

Aramex has adapted swiftly, leveraging its leadership in regional logistics and extensive footprint to meet the evolving needs of its customers. Our integrated solutions across domestic express, international express, freight forwarding, and contract logistics enhance supply chain efficiency and enable businesses to capitalize on nearshoring-driven trade flows. With companies prioritizing agility, digitalization, and cost-efficiency, Aramex is well-positioned to provide seamless market access, reinforcing our role as a key player in global trade transformation.

The GCC and broader MENAT region remains a cornerstone market for Aramex, contributing 55% of the Group's total revenues for the full year 2024. Of note, Aramex reported dowble digit growth in revenue and gross profitability for both GCC and MENAT in 2024 compared to 2023. These markets are driven by robust economic growth and diversification efforts. Enhanced transport infrastructure and stronger global trade connections further reinforce the region's position as a critical logistics hub, allowing Aramex to strategically expand its footprint in high-growth sectors such as e-commerce and healthcare. In particular, the UAE, Saudi Arabia and Egypt have emerged as key growth engines, fueled by a rising e-commerce sector and advancements in manufacturing.

[1] *Middle East Economy:* GCC Region's GDP to grow 3.7 per cent in 2024

Financial Performance

Aramex delivered another year of strong financial results in 2024, achieving double-digit topline growth. We delivered a 11% revenue increase to AED 6.3 billion in 2024, setting a solid foundation for our full-year performance.

Gross profit was up 6% to AED 1.5 billion for the full year 2024 with a margin of 24%, benefitting from the topline growth. Annual Group Selling, General, and Administrative Expenses (SG&A) remained stable as a percentage of revenue at 19%, with a 4% YoY increase in absolute terms driven by selling expenses, and reflecting the company's strategic focus on topline growth. Despite cost inflation, General and Administrative expenses were well managed and remained at the same level as last year, which confirms management's focus on cost controls. Aramex ended the year with AED 142 million in net profit, representing a growth of 10% in 2024 compared to 2023.

Our financial success in 2024 reflects more than the benefits of topline growth; it is about the smart, efficient delivery of sustained expansion and value creation.

Operational and Strategic Achievements

Significant operational milestones bolstered Aramex's competitive position in the global logistics landscape in 2024. We expanded our global footprint with new strategic hubs, enhancing our ability to serve key markets efficiently while deploying advanced sorting technologies across major facilities to improve processing capabilities and speed.

Our growth reflects global supply chain shifts driven by nearshoring and evolving consumer markets, which are transforming the logistics landscape. We succeeded in capitalising on these trends in 2024 through our integrated end-to-end transportation solutions, supported by investments in innovation like micro-fulfilment hubs and reverse logistics. As the GCC and MEA regions emerge as key e-commerce and trade hubs, we are adapting to changing supply chain needs while driving operational excellence through automation, AI, and cost optimisation to deliver sustainable growth.

Sustainability Achievements

Sustainability remains at the heart of Aramex's strategy, with significant progress made towards environmental goals in 2024. The company expanded its electric vehicle fleet to 66 vehicles globally, reducing its carbon footprint in last-mile deliveries. Aramex introduced biofuel-powered deliveries across the GCC, showcasing its commitment to eco-friendly logistics solutions.

The installation of solar panels on key facilities increased reliance on renewable energy. At the same time, the piloting of autonomous delivery bots in Dubai and Saudi Arabia explored innovative and sustainable last-mile delivery options. These initiatives align with Aramex's ambitious goal of achieving net-zero emissions by 2050, demonstrating a commitment to environmental stewardship while meeting the growing demand for sustainable logistics solutions.

Corporate Developments

In January 2025, Aramex received a conditional cash offer from ADQ's subsidiary, Q Logistics Holding, to acquire up to 100% of Aramex's shares. This proposal underscores Aramex's strategic value within the broader logistics sector. While discussions are ongoing, we are committed to ensuring that any decision aligns with the best interests of our shareholders and stakeholders. This development, regardless of its outcome, is a testament to Aramex's strong market position and future potential.

Outlook for 2025

As we look ahead to 2025, Aramex is poised to capitalise on significant opportunities for growth and value creation through a multifaceted strategy. Our priorities include ongoing investment in technology-driven solutions to boost efficiency and enhance customer experience while expanding our capabilities in high-growth markets with a particular emphasis on e-commerce logistics.

Additionally, we will explore strategic partnerships and acquisitions to complement our organic growth strategy. By concentrating on these key areas, Aramex will be well-positioned to capture emerging opportunities and reinforce its standing as a leader in the global logistics industry.

Closing Remarks

On behalf of the Board of Directors, I extend my heartfelt gratitude to our employees for their unwavering dedication and resilience throughout this transformative year. Their commitment has been the cornerstone of our success. To our shareholders, your continued trust and support have been invaluable as we navigate through challenges and seize new opportunities.

As we move forward, Aramex remains committed to delivering sustainable growth, enhancing shareholder value, and setting new benchmarks in the industry. We are excited about the future and confident in our ability to create lasting value for all our stakeholders. Thank you for your continued support and trust in Aramex.

Sincerely yours,

Mohamed Juma Alshamsi
Chairman of the Board of Directors
Aramex PJSC

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMEX PJSC

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Aramex PJSC (the "Company"), and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *(including International Independence Standards) (the "IESBA Code")* together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on those statements on 8 February 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMEX PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

***Key audit matters* (continued)**

<table>
<tr><th>Key audit matter</th><th>How the Matter Was Addressed in the Audit</th></tr>
<tr><td colspan="2">Revenue recognition</td></tr>
<tr><td>During the year ended 31 December 2024 the Group has recognized revenue of AED 6,324 million from contract with customers.

The Group focuses on revenues as a key performance measure and as a driver for growth and expansion. Due to the materiality of the amounts involved, diversity of the Group's geographical footprint, and susceptibility of such revenues to misstatements and fraud risk, we consider revenue recognition as a key audit matter.

The Group recognizes the revenue at a point in time when the customer obtains the control over the service and this is done upon delivery of the services to the customer / acceptance by the customer and issuance of the sales invoice.</td><td>The work that we performed to address this key audit matter included the following procedures.

- We evaluated the appropriateness of the Group's accounting policies related to recognition of revenue from sales as well as assessing compliance with the requirements of IFRS 15 ''Revenue from contract with customers''

- We obtained an understanding and tested the design and operating effectiveness of the internal controls related to revenue recognition.

- We performed substantive audit procedures which included overall analytical procedures by comparing amounts of revenues, prices and quantities sold during the current year compared with the previous year to determine whether there are any significant trends or fluctuations. Further, we performed testing of revenue transactions on a sample basis, by examining the sales to supporting documents to substantiate that revenue was recorded properly.

- We performed cutoff testing to substantiate that the revenue was recorded in the correct period.

- We assessed the adequacy of the management's disclosure in note 25 to the consolidated financial statements.</td></tr>
</table>

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMEX PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

***Key audit matters* (continued)**

Key audit matter	How the Matter Was Addressed in the Audit
Goodwill Impairment	
As described in note 6, Goodwill amounts to AED 1,730 million in the consolidated financial statements as at 31 December 2024. Under IAS 36, the Group is required to annually test goodwill for impairment. This annual impairment test was significant to our audit because the balance as of 31 December 2024 is material to the consolidate the financial statements. In addition, management's assessment process is complex and highly judgmental, and is based on assumptions, specifically the discount rate and the growth rate estimates which are affected by expected future market or economic conditions. Any changes in assumptions could result in impairment of the goodwill. Accordingly, we consider impairment testing of goodwill to be a key audit matter.	As part of our audit, we have carried out the following procedures with the support of our experts: - Analyzed the methodology adopted by the Group in identifying the individual CGUs; - Obtained an understanding of the key controls over the impairment testing process; - Assessed the reasonableness of the assumptions used by the Group's management in the preparation of long-term business plans. In particular, we checked the consistency of the assumptions used in preparation of the long-term business plans. - Analyzed the forecast trends used in the long-term business plan prepared by management - Analyzed the differences between the historical data and the forecasted data, in order to assess the reliability of the process followed by the management in preparing the long-term business plan; - Analyzed the impairment test carried out by the Group, with particular reference to: i. Technical evaluation of the method used by the Group to determine the discount rate (WACC) used in the test; ii. Verification of the mathematical accuracy of the calculation model used by the Group to determine "value in use"; iii. Verification of the sensitivity analyses prepared by the Group; - We involved our valuation experts to assist us in evaluating the assumptions and methodologies used by the Group, in particular those relating to discount rates, forecasted revenue growth and profit margins for the cash generating units; and - We assessed the adequacy of management's disclosures relating to goodwill and impairment testing as per note 6 to the consolidated financial statements, in accordance with IFRSs.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMEX PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

Key audit matters **(continued)**

Key audit matter	How the Matter Was Addressed in the Audit
Adequacy of Expected Credit Losses of trade receivables	
As at 31 December 2024, the Group recognised trade receivables of AED 1,105 million, representing 19% of the total assets. In assessing the recoverability of trade receivables, management exercised significant judgements to evaluate the collectability from individual customers after taking into account their creditworthiness, whether they have financial difficulties, experience of default or delinquency in interest or principal payments, the probability that they will enter bankruptcy and aging analysis. The judgements applied by management have a significant impact on the level of provision required for trade receivables. Management's continued refinement of the allowance for expected credit loss based on known customer information and changes in a region's economy or legal systems can provide significant change in the estimate between periods.	We performed the following procedures to assess the recoverability of trade receivables: - We obtained the management prepared expected credit loss module and evaluated and tested the reasonableness of the management assessment of allowance for ECL. - Tested the inputs and other information used in calculating ECL. - We evaluated management's assumption and judgment by comparing to the historical collection trends and analysis of receivables' aging brackets and write-offs as a percentage of gross trade receivables. - We re-calculated the allowance for expected credit loss using management's model and considered the adequacy of the provision. - We assessed the adequacy of the Group's disclosure regarding allowance for expected credit loss in note 13 to the consolidated financial statements.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMEX PJSC (continued)

Report on the audit of the consolidated financial statements (continued)

Other information included in the Company's 2024 annual report.
Other information consists of the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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Report on the audit of the consolidated financial statements (continued)

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ARAMEX PJSC (continued)

Report on other legal and regulatory requirements

Further, as required by the UAE Federal Law No. (32) of 2021, we report that for the year ended 31 December 2024:

i) the Group has maintained proper books of account;

ii) we have obtained all the information we considered necessary for the purposes of our audit;

iii) the consolidated financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles of Association and the UAE Federal Law No. (32) of 2021;

iv) the financial information included in the Directors' report is consistent with the books of account of the Group;

v) investments in shares and stocks during the year ended 31 December 2024 are disclosed in notes 9,10 & 11 to the consolidated financial statements;

vi) note 30 reflects material related party transactions and the terms under which they were conducted;

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Law No. (32) of 2021 or of its Articles of Association which would have a material impact on its activities or its financial position as at 31 December 2024; and

viii) note 27 reflects the social contributions made during the year.

For Ernst & Young

Ashraf Abu Sharkh
Registration No: 690

11 February 2025

Dubai, United Arab Emirates

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	*2024* *AED'000*	*2023* *AED'000*
ASSETS			
Non-current assets			
Property and equipment	4	**853,245**	881,142
Right-of-use assets	5	**838,396**	863,982
Goodwill	6	**1,730,497**	1,750,191
Other intangible assets	7	**299,305**	309,935
Investments in joint ventures and associates	9,10	**31,417**	35,007
Financial assets at fair value through other comprehensive income	11	**17,975**	17,574
Deferred tax assets	12	**33,351**	26,110
Other non-current assets		**13,429**	7,019
		3,817,615	3,890,960
Current assets			
Accounts receivable, net	13	**1,104,844**	1,090,468
Other current assets	14	**290,432**	266,304
Bank balances and cash	15	**512,730**	575,210
		1,908,006	1,931,982
Assets held for sale		**-**	4,898
TOTAL ASSETS		**5,725,621**	5,827,840
EQUITY AND LIABILITIES			
Equity			
Share capital	16	**1,464,100**	1,464,100
Own shares held by the liquidity provider	37	**(2,767)**	-
Reserve on trading in own shares	37	**(4,069)**	-
Statutory reserve	17	**511,578**	500,814
Foreign currency translation reserve	17	**(634,126)**	(560,017)
Reserve arising from acquisition of non-controlling interests	17	**(336,986)**	(336,986)
Reserve arising from other comprehensive income items	17	**(6,231)**	(12,015)
Retained earnings		**1,525,042**	1,405,470
Equity attributable to equity holders of the Parent		**2,516,541**	2,461,366
Non-controlling interests	8	**7,040**	6,554
TOTAL EQUITY		**2,523,581**	2,467,920
LIABILITIES			
Non-current liabilities			
Interest-bearing loans and borrowings	19	**911,918**	1,067,335
Lease liabilities	5	**756,743**	771,906
Employees' end of service benefits	20	**196,852**	169,968
Deferred tax liabilities	12	**34,751**	36,198
Other non-current liabilities		**9,811**	13,002
		1,910,075	2,058,409
Current liabilities			
Bank overdrafts	22	**4,015**	2,848
Accounts payable	21	**331,060**	326,364
Lease liabilities	5	**179,806**	176,680
Interest-bearing loans and borrowings	19	**21,257**	48,505
Provisions	23	**30,256**	47,674
Other current liabilities	24	**690,391**	659,839
Income tax provision	12	**35,180**	36,676
		1,291,965	1,298,586
Liabilities related to held for sale		**-**	2,925
TOTAL LIABILITIES		**3,202,040**	3,359,920
TOTAL EQUITY AND LIABILITIES		**5,725,621**	5,827,840

Mohamed Juma Alshamsi (Chairman)	Othman Aljeda (Chief Executive Officer)	Nicolas Sibuet (Chief Financial Officer)

The accompanying notes from 1 to 39 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	***2024*** ***AED'000***	*2023* *AED'000*
Continuing operations			
Rendering of services	25	**6,324,444**	5,694,022
Cost of services	26	**(4,812,241)**	(4,267,093)
Gross profit		**1,512,203**	1,426,929
Selling and marketing expenses		**(340,070)**	(308,453)
Administrative expenses	27	**(893,001)**	(845,128)
Net impairment reversal (loss) on financial assets	13,15	**6,749**	(20,039)
Other income, net	28	**10,794**	13,352
Operating profit		**296,675**	266,661
Finance income		**4,797**	8,367
Finance costs		**(121,015)**	(128,152)
Share of results of joint ventures and associates	9,10	**2,534**	5,572
Profit before tax from continuing operations		**182,991**	152,448
Income tax expense	12	**(45,805)**	(22,713)
Profit for the year from continuing operations		**137,186**	129,735
Discontinued operations			
Loss after tax for the year from discontinued operations		**(703)**	(1,329)
Gain on sale of a subsidiary		**7,042**	-
Profit for the year		**143,525**	128,406
Attributable to:			
Equity holders of the Parent Company			
Profit for the year from continuing operations		**135,472**	130,626
Profit (loss) for the year from discontinued operations		**6,339**	(1,329)
		141,811	129,297
Non–controlling interests			
Profit (loss) for the year from continuing operations		**1,714**	(891)
		143,525	128,406
Earnings per share attributable to the equity holders of the Parent:			
Basic and diluted earnings per share from continuing operations	31	**0.093**	0.089
Basic and diluted earnings per share from discontinued operations	31	**0.004**	(0.001)

The accompanying notes from 1 to 39 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	***2024*** ***AED'000***	*2023* *AED'000*
Profit for the year		**143,525**	128,406
Other comprehensive income:			
Other comprehensive income/(loss) items that may be reclassified to profit or loss in subsequent periods (net of tax):			
Gain (loss) on debt instruments at fair value through other comprehensive income		**409**	(92)
Exchange differences on translation of foreign operations		**(73,387)**	(34,376)
Impact of hyperinflation		**(7,804)**	9,420
		(80,782)	(25,048)
Other comprehensive loss items not to be reclassified to profit or loss in subsequent periods (net of tax):			
Remeasurements losses on defined benefit plans	20	**(149)**	(119)
		(149)	(119)
Other comprehensive loss for the year, net of tax		**(80,931)**	(25,167)
Total comprehensive income for the year		**62,594**	103,239
Attributable to:			
Equity holders of the Parent		**61,532**	104,986
Non-controlling interests		**1,062**	(1,747)
		62,594	103,239

The accompanying notes from 1 to 39 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Attributable to equity holders of the Parent Company										
	Share capital AED '000	*Own shares held by the liquidity provider AED '000*	*Reserve on trading in own shares 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*	*Non-controlling interests AED '000*	*Total equity AED '000*
For the year ended 31 December 2024											
Balance at 1 January 2024	**1,464,100**	-	-	**500,814**	**(560,017)**	**(336,986)**	**(12,015)**	**1,405,470**	**2,461,366**	**6,554**	**2,467,920**
Impact of hyperinflation (note 3)	-	-	-	-	**6,430**	-	-	-	**6,430**	-	**6,430**
Prior years adjustment	-	-	-	-	-	-	-	**(5,951)**	**(5,951)**	-	**(5,951)**
At 1 January 2024 (adjusted)	**1,464,100**	-	-	**500,814**	**(553,587)**	**(336,986)**	**(12,015)**	**1,399,519**	**2,461,845**	**6,554**	**2,468,399**
Profit for the year	-	-	-	-	-	-	-	**141,811**	**141,811**	**1,714**	**143,525**
Other comprehensive loss	-	-	-	-	**(80,539)**	-	**260**	-	**(80,279)**	**(652)**	**(80,931)**
Total comprehensive income for the year	-	-	-	-	**(80,539)**	-	**260**	**141,811**	**61,532**	**1,062**	**62,594**
Non-controlling interests	-	-	-	-	-	-	-	-	-	**1,197**	**1,197**
Reduction in capital	-	-	-	-	-	-	-	-	-	**(1,419)**	**(1,419)**
Trading in own shares (Note 37)	-	**(2,767)**	**(4,069)**	-	-	-	-	-	**(6,836)**	-	**(6,836)**
Transfer from statutory reserve to retained earnings	-	-	-	**(2,115)**	-	-	-	**2,115**	-	-	-
Transfer to statutory reserve	-	-	-	**12,879**	-	-	-	**(12,879)**	-	-	-
Transfer of fair value reserve of equity instruments designated at FVOCI	-	-	-	-	-	-	**5,524**	**(5,524)**	-	-	-
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-	**(354)**	**(354)**
Balance at 31 December 2024	**1,464,100**	**(2,767)**	**(4,069)**	**511,578**	**(634,126)**	**(336,986)**	**(6,231)**	**1,525,042**	**2,516,541**	**7,040**	**2,523,581**
For the year ended 31 December 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 (note 3)	-	-	-	-	(6,485)	-	-	-	(6,485)	-	(6,485)
At 1 January 2023 (adjusted)	1,464,100	-	-	471,734	(535,917)	(329,908)	(11,804)	1,444,833	2,503,038	8,865	2,511,903
Profit for the year	-	-	-	-	-	-	-	129,297	129,297	(891)	128,406
Other comprehensive loss	-	-	-	-	(24,100)	-	(211)	-	(24,311)	(856)	(25,167)
Total comprehensive income for the year	-	-	-	-	(24,100)	-	(211)	129,297	104,986	(1,747)	103,239
Non-controlling interests	-	-	-	-	-	(7,078)	-	-	(7,078)	(564)	(7,642)
Dividends to shareholders (Note 18)	-	-	-	-	-	-	-	(139,580)	(139,580)	-	(139,580)
Transfer to statutory reserve	-	-	-	29,080	-	-	-	(29,080)	-	-	-
Balance at 31 December 2023	1,464,100	-	-	500,814	(560,017)	(336,986)	(12,015)	1,405,470	2,461,366	6,554	2,467,920

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	***2024 AED'000***	*2023 AED'000*
OPERATING ACTIVITIES			
Profit before tax from continuing operations		**182,991**	152,448
Profit (loss) before tax from discontinued operations		**6,253**	(1,450)
Profit before tax		**189,244**	150,998
Adjustments for:			
Depreciation of property and equipment		**114,959**	113,622
Depreciation of right of use assets		**224,528**	235,852
Amortisation of other intangible assets		**14,142**	13,563
(Gain) loss on disposal of property and equipment		**(96)**	1,160
Provision for employees' end of service benefits	20	**45,936**	33,758
Net impairment loss on financial assets		**(6,749)**	20,158
Finance costs – borrowings		**68,655**	78,756
Finance costs – lease liabilities	5	**52,360**	49,582
Finance income		**(4,797)**	(8,367)
Gain on disposal of right of use assets and lease liabilities		**(1,014)**	(1,247)
Share of results of joint ventures and associates	9,10	**(2,534)**	(5,572)
Gain on sale of a subsidiary		**(7,042)**	-
		687,592	682,263
Working capital changes:			
Accounts receivable		**(7,714)**	19,735
Accounts payable		**4,696**	2,962
Other current assets		**(18,508)**	(30,453)
Provisions		**(17,418)**	(22,567)
Other current liabilities		**32,291**	(67,763)
Other non-current liabilities		**(3,191)**	(2,958)
Cash from operations		**677,748**	581,219
Employees' end of service benefits paid	20	**(19,051)**	(25,997)
Income tax paid	12	**(43,763)**	(34,357)
Net cash flows from operating activities		**614,934**	520,865
INVESTING ACTIVITIES			
Purchase of property and equipment	4	**(124,325)**	(128,013)
Other intangible assets		**(1,560)**	-
Payment for acquisition of subsidiaries	35	**(27,137)**	-
Proceeds from escrow account		**-**	11,287
Proceeds from sale of property and equipment		**7,814**	5,157
Finance income received		**4,797**	8,367
Proceeds from sale of a subsidiary		**-**	36,082
Dividends from joint ventures		**4,216**	5,731
Other non-current assets		**(6,167)**	(1,107)
Restricted cash		**(23)**	(141)
Margin and bank deposits		**315**	863
Fixed deposits		**1,564**	915
Decrease in capital related to non-controlling interest		**(1,419)**	-
Net cash flows used in investing activities		**(141,925)**	(60,859)
FINANCING ACTIVITIES			
Finance costs paid		**(126,758)**	(121,779)
Proceeds from interest-bearing loans and borrowings		**31,366**	34,636
Repayment of interest-bearing loans and borrowings		**(194,293)**	(56,540)
Principal elements of lease payments		**(237,389)**	(226,275)
Acquisition of own-shares	37	**(10,000)**	-
Dividends paid to non-controlling interests		**(354)**	(2)
Dividends paid to shareholders		**-**	(139,580)
Acquisition of non-controlling interest		**-**	(7,639)
Net cash flows used in financing activities		**(537,428)**	(517,179)
Net decrease in cash and cash equivalents		**(64,419)**	(57,173)
Net foreign exchange difference		**2,651**	(6,087)
Cash and cash equivalents at 1 January		**564,341**	627,601
Cash and cash equivalents at 31 December	15	**502,573**	564,341

The accompanying notes from 1 to 39 form an integral part of these consolidated financial statements.

1 ACTIVITIES

Aramex PJSC (the "Parent Company" or "Company") was established as a Public Joint Stock Company on 15 February 2005 and is registered in the Emirate of Dubai, United Arab Emirates under UAE Federal Law No. (32) of 2021. These consolidated financial statements of the Company as at 31 December 2024 comprise the Parent Company and its subsidiaries (collectively referred to as the "Group" and individually as "Group entities").

The Parent Company was listed on the Dubai Financial Market on 9 July 2005.

The principal activities of the Group are to invest in the freight, express, logistics and supply chain management businesses through acquiring and owning controlling interests in companies in the Middle East and other parts of the world.

The Parent Company's registered office address is Building and Warehouse No. 3, Um Rammool, Dubai, United Arab Emirates.

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

- GeoPost, the express parcel arm of French Groupe La Poste which owns 28% of Aramex PJSC's issued share capital.
- Abu Dhabi Ports Company PJSC ("ADP"), a subsidiary of Abu Dhabi Developmental Holding Company ("ADQ") which owns 22.69% of Aramex PJSC's issued share capital.

The consolidated financial statements were authorised for issue by the Board of Directors on 11 February 2025.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS accounting standards as issued by the International Accounting Standards Board (IASB), and applicable requirements of UAE Federal Law No. (32) of 2021.

The consolidated financial statements are presented in UAE Dirhams (AED), being the functional currency of the Parent Company. Financial information is presented in AED and all values are rounded to the nearest thousand (AED "000"), except when otherwise indicated.

The consolidated financial statements have been prepared under a historical cost basis, adjusted for the effects of inflation where entities operate in hyperinflationary economies, except for financial assets at fair value through other comprehensive income at fair value and defined benefit pension plans that have been measured at the present value of future obligations.

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 S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi have been expressed in terms of measuring unit current at the reporting date.

2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.2 Basis of consolidation (continued)

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of OCI are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the consolidated statement of profit or loss.

Significant subsidiaries of the Group include:

Aramex Fastway Holdings PTY Ltd.
Aramex New Zealand Holdings Ltd
Aramex Nederland B.V.
Aramex Jordan Ltd.
Aramex International Egypt for Air and Local services (S.A.E), Egypt
Aramex Emirates LLC, UAE
Aramex International Hava Kargo ve Kerye Anonim Sirketyi (Turkey)
Aramex International Ltd
Aramex Ireland Limited
Aramex South Africa PTY Ltd.
Aramex Hong Kong Limited
Aramex Saudi Limited Company
Aramex International Logistics Private Ltd.
Aramex (UK) Limited
Aramex India Private Ltd.
Access USA Shipping LLC
Aramex New York Ltd.

All of the above subsidiaries are directly or indirectly 100% owned by the Parent Company as of 31 December 2023 and 2024.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.3 Changes in accounting policies and disclosures

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

- Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current
- Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

- Lack of exchangeability – Amendments to IAS 21
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The above standards, amendments and interpretations are not expected to have any material impact on the consolidated financial statements of the Group.

2.4 Material accounting policies information

Property, plant and equipment

Property and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the consolidated statement of profit or loss during the financial period in which they are incurred.

Except for capital work in progress and land, depreciation is calculated on a straight-line basis, the estimated useful lives of the assets is as follows:

Leasehold improvements*	4-7 years
Buildings	8-50 years
Furniture and fixtures	5-10 years
Warehousing racks	15 years
Office equipment	3-7 years
Computers	3-5 years
Vehicles	4-5 years

* The leasehold improvements range represents the shorter between the lease term and the useful life of the asset.

Depreciation relating to the property and equipment of Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi are based on restated amounts, which have been adjusted for the effects of hyperinflation.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Property, plant and equipment (continued)

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs.

The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs. When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with IFRS 9. Other contingent consideration that is not within the scope of IFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in the consolidated statement of profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in the consolidated statement of profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in the consolidated statement of profit or loss.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Business combinations and goodwill (continued)

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability
  Or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Fair value measurement (continued)

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

The Group measures financial instruments at fair value at each reporting date. Fair value related disclosures for financial instruments and that are measured at fair value or where fair values are disclosed, are summarised in the following notes:

- Disclosures for valuation methods, significant estimates and assumptions Note 36
- Quantitative disclosures of fair value measurement hierarchy Note 36

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The useful lives of these intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the consolidated statement of profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with finite lives are amortised over their economic lives as follows:

Customer lists and other intangible assets with definite useful life	10-30 years
Other intangible assets	7 years
Brand	20 years

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the consolidated statement of profit or loss.

Investments in associates and joint arrangements

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Investments in associates and joint arrangements (continued)

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associates and joint ventures are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income (OCI) of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associates and joint ventures in the consolidated statement of profit or loss.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Prepaid agency fees

Amounts paid in advance to agents to purchase or alter their agency rights are accounted for as prepayments. As these amounts are paid in lieu of annual payments they are expensed to consolidated statement of profit or loss over the period equivalent to the number of years of agency fees paid in advance.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are provided in the following notes:

Disclosures for significant assumptions	Note 3
Goodwill	Note 6
Other intangible assets	Note 7

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations, are recognised in the consolidated income statement in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the consolidated income statement unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are also tested for impairment annually at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Cash and short-term deposits

Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management, restricted cash and cash margin.

Restricted cash, margins and fixed deposits

Restricted cash, margins and fixed deposits in the consolidated statement of financial position comprise restricted cash and long-term deposits with maturity of more than three months. Restricted cash represents cash held at Lebanese banks which can be withdrawn at unfavourable rates.

Accounts receivable

Accounts receivable are amounts due from customers for services performed in the ordinary course of business and are stated at original invoice amount less any expected credit losses provision.

The Group's accounts receivable are subject to the expected credit loss model. The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable. To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due.

Accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 545 days past due.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Financial assets (continued)

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the consolidated statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its non-listed equity investments under this category.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
  Or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  (a) the Group has transferred substantially all the risks and rewards of the asset, or
  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Financial assets (continued)

Derecognition (continued)

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment and un-collectability of financial assets

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For accounts receivable, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 13 for further details.

Financial liabilities

Initial recognition, measurement and presentation

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Loans, borrowings and other financial liabilities

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the consolidated statement of profit or loss when the liabilities are derecognised as well as through EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the consolidated statement of profit or loss.

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

Finance cost appearing in the consolidated statement of profit or loss are related to borrowing costs and lease liabilities.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Accounts payable and accruals

These amounts represent unsettled liabilities for goods and services provided to the Group prior to the end of financial year whether billed by the supplier or not. These amounts are unsecured and are usually paid within 60 days of the date of recognition. Trade and other payables are presented as current liabilities.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Employees' end of service and other benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the consolidated statement of financial position.

A provision is made for the estimated liability for employees' entitlement to annual leave and leave passage as a result of services rendered by eligible employees up to the reporting date. The provision relating to annual leave and leave passage is considered as a current liability.

(ii) Other long-term employee benefit obligations

In some countries, the Group also has liabilities for long service end of service benefits that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. These obligations are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period, using the projected unit credit method.

Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the consolidated statement of profit or loss.

The provision for employees' end of service benefits, disclosed as a long-term liability, where their respective labour laws require providing indemnity payments upon termination of relationship with their employees. The provision relating to end of service benefits is disclosed as a non-current liability.

Social security

Payments made to the social security institutions in connection with government pension plans applicable in certain jurisdictions are dealt with as payments to defined contribution plans, where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan. The Group pays contributions to the social security institutions on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense in the period to which the employees' service relates.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Revenue recognition

The Group recognises revenue from contracts with customers based on five step model as sets out in IFRS 15 - Revenue from contracts with customers:

- Step 1: Identify the contract(s) with a customer;
- Step 2: Identify the performance obligations in the contract;
- Step 3: Determine the transaction price;
- Step 4: Allocate the transaction price to the performance obligations in the contract; and
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product or service to a customer.

Revenue represents the value of services rendered to customers and is stated net of discounts and sales taxes or similar levies.

The standards require that revenue be recognised as a Group satisfies a performance obligation by transferring control of a good or service. A performance obligation can be satisfied over time or at a point in time.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty or discounts. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements, has pricing latitude and is exposed to credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Express and shop 'n' ship services revenue

The Group provides courier and express to businesses and private customers. Delivery occurs when the packages have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the end user, and either the end user has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. It is therefore accounted for as a single performance obligation satisfied at a point of time and revenue is recognised at a point of time.

Freight forwarding revenue

The Group provides transportation services to businesses and private customers. Delivery occurs when the packages have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the end user, and either the end user has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. It is therefore accounted for as a single performance obligation satisfied at a point of time and revenue is recognised at a point of time.

Revenue from logistics services

The Group provides logistics and warehousing services to customers. Delivery of service occurs when the contractual terms of agreement are satisfied, and either the end user has accepted the services in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

All the contracts and work orders include a single deliverable, and does not include an integration service and could not be performed by another party. It is therefore accounted for as a single performance obligation satisfied over time and revenue is recognised over the performance period.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Interest income

Interest income is recorded using the effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the consolidated statement of profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Taxes (continued)

Deferred tax (continued)

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in the consolidated statement of profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Sales tax

Expenses and assets are recognised net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; or
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

Depreciation relating to Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi is based on restated amounts, which have been adjusted for the effects of hyperinflation. If the Group is reasonably certain to exercise a purchase option, the right of use asset is depreciated over the underlying asset’s useful life.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Cash dividends

The Group recognises a liability to make cash or non-cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

Earning per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset excluding the finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the sale expected within one year from the date of the classification.

Property and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the consolidated statement of profit or loss.

All other notes to the consolidated financial statements include amounts for continuing operations, unless otherwise mentioned.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- Is a subsidiary acquired exclusively with a view to resale.

Own shares

Own equity instruments that are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the reserve on trading in own shares.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle,
- It is held primarily for the purpose of trading,
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Foreign currencies

The Group's consolidated financial statements are presented in AED, which is also the Parent Company's functional currency. For each entity, the Group determines the functional currency and items included in the consolidated financial statements of each entity are measured using that functional currency.

Also, when an entity's functional currency is the currency of a hyperinflationary economy, the entity shall restate its financial statements in accordance with IAS 29 before applying the translation method, except for comparative amounts that are translated into a currency of a non-hyperinflationary economy. When the economy ceases to be hyperinflationary and the entity no longer restates its financial statements in accordance with IAS 29, it shall use as the historical costs for translation into the presentation currency the amounts restated to the price level at the date the entity ceased restating its financial statements.

The results and financial position of foreign operations (which has the currency of a hyperinflationary economy) are translated into the presentation currency as follows:

All amounts (i.e. assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent statement of financial position, except that when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e. not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Foreign currencies (continued)

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date of the transaction first qualify for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income until the net investment is disposed, at which time, the cumulative amount is reclassified to the consolidated statement of profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive profit or loss or the consolidated statement of profit or loss are also recognised in other comprehensive income or consolidated statement of profit or loss, respectively).

Group companies

On consolidation, the assets and liabilities of foreign operations are translated into AED's, at the rate of exchange prevailing at the reporting date and their consolidated statement of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the consolidated statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

The results, cash flows and financial position of the group entities which are accounted for as entities operating in hyperinflationary economies and that have functional currencies different from the presentation currency of the group are translated into the presentation currency of its immediate parent at rates of exchange ruling at the reporting date. As the presentation currency of the group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current financial year.

Hyperinflation

The financial statements (including comparative amounts) of the Group entities whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting period.

As the presentation currency of the group or the company is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level in the current year. Differences between these comparative amounts and current year hyperinflation adjusted equity balances are recognised in other comprehensive income.

2 BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES INFORMATION (CONTINUED)

2.4 Material accounting policies information (continued)

Hyperinflation (continued)

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. On initial application of hyperinflation prior period gains and losses are recognised directly in equity. An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount.

All items recognised in the consolidated statement of profit or loss are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of equity, except retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised directly in equity as an adjustment to opening retained earnings. Restated retained earnings are derived from all other amounts in the restated statement of financial position. If on initial application of hyperinflation accounting the restated value of the non-monetary assets exceed their recoverable amount, the amount in excess of the recoverable amount is recorded as a reduction in retained earnings. At the end of the first period and in subsequent periods, all components of equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

The Lebanese and Turkish economies have been classified as hyperinflationary. Accordingly, the results, cash flows and financial position of the Group's subsidiaries; Aramex Lebanon S.A.L. and Aramex International Hava Kargo ve Keye Anonim Sirketyi have been expressed in terms of the measuring unit current at the reporting date. Impact of applying IAS 29 for the years ended 31 December 2024 and 31 December 2023 has been disclosed in each impacted financial statement line item note.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its consolidated financial statements. The Group will adjust the amounts recognised in its consolidated financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its consolidated financial statements, but will disclose the nature of the non-adjusting event and an estimate of its financial effect, or a statement that such an estimate cannot be made, if applicable.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Other disclosures relating to the Group's exposure to risks and uncertainties includes:

- Capital management Note 34
- Financial instruments risk management and policies Note 34

Useful lives of property and equipment

The Group's management determines the estimated useful lives of its property and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Hyperinflation

The Group exercises significant judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, associates or joint ventures is the currency of a hyperinflationary economy, in order to assess whether an economy has a hyperinflationary inflation rate, the country's economic environment is evaluated, analyzing whether certain circumstances exist, such as:

- The country's population prefers to keep its wealth or savings in non-monetary assets or in a relatively stable foreign currency;
- Prices may be quoted in another relatively stable foreign currency;
- Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
- Interest rates, wages and prices are linked to a price index; and
- The cumulative inflation rate over three years is approaching or exceeds 100%.

Management exercises judgement as to when a restatement of the consolidated financial statements of a group entity becomes necessary. Following management's assessment, the group's subsidiaries Aramex Lebanon S.A.L. and Aramex International Hava Kargo Ve Kerye Anonim Sirketi have been accounted for as entities operating in hyperinflationary economies. The results, cash flows and financial positions of Aramex Lebanon S.A.L. and Aramex International Hava Kargo Ve Kerye Anonim Sirketi have been expressed in terms of the measuring units current at the reporting date.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Aramex Lebanon S.A.L.

The economy of Lebanon was assessed to be hyperinflationary during 2020, and hyperinflation accounting has been applied since. Upon application of hyperinflation, net prior period loss of AED 814 thousand were recognised directly in equity during 2024 (2023: losses of AED 9,660 thousand were recognised directly in equity during 2023).

The general price index used as published by the International Monetary Fund is as follows:

	Base year	General price index	Inflation rate (%)
31 December 2024*	2024	1.08	666
31 December 2023	2023	1.44	2,005
31 December 2022	2022	1.56	1,670

* The cumulative inflation rate over three years as at 31 December 2024 is 666% (2023: 2,005%). The average adjustment factor used for 2024 was 1.08 (2023: 1.44).

Aramex International Hava Kargo Ve Kerye Anonim Sirketi

The economy of Turkey was assessed to be hyperinflationary during 2022, and hyperinflation accounting has been applied since. Upon application of hyperinflation, net prior period gain of AED 7,244 thousand were recognised directly in equity during 2024 (2023: AED 3,175 thousand).

The general price index used as published by the International Monetary Fund is as follows:

	Base year	General price index	Inflation rate (%)
31 December 2024*	2024	1.15	291
31 December 2023	2023	1.28	268
31 December 2022	2022	1.18	156

* The cumulative inflation rate over three years as at 31 December 2024 is 291% (2023: 268%). The average adjustment factor used for 2024 was 1.15 (2023: 1.28).

Provision for expected credit losses of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, customer type and rating, and coverage by letters of credit and other forms of credit insurance).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 13.

During the year ended 31 December 2024 the Group has revised ECL calculation methodology to more accurately reflect the Group exposure to credit risk, the changes were mainly as follows:

1- Using due date instead of invoice date to define credit risk.
2- Updating loss given default from 12 months to 18 months.
3- Aging window changed from 90 days to 60 days.

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Goodwill impairment

The impairment test is based on the “value in use” calculation. These calculations have used cash flow projections based on actual operating results and future expected performance, refer to Note 6 for the additional key assumptions used in calculating the goodwill impairment.

Provision for tax

The Group reviews the provision for tax on a regular basis. In determining the provision for tax, laws of particular jurisdictions (where applicable entity is registered) are taken into account. The management considers the provision for tax to be a reasonable estimate of potential tax liability after considering the applicable laws and past experience.

End of service benefits

In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population of bonds on which the discount rate is based, on the basis that they do not represent high quality bonds.

The mortality rate is based on publicly available mortality tables for the related countries. Future salary increases are based on expected future inflation rates for the respective country.

Intangible assets with indefinite lives

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Lease extension, termination options and incremental borrowing rate

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows exceeding the lease term have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated).

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the year ended 31 December 2024, no significant events or significant change in circumstances occurred that caused the management to reassess the lease term.

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group ‘would have to pay’, which requires estimation when no observable rates are available.

4 PROPERTY AND EQUIPMENT

	Land AED'000	*Leasehold improvements AED'000*	*Buildings AED'000*	*Furniture and fixtures AED'000*	*Warehousing racks AED'000*	*Office equipment AED'000*	*Computers AED'000*	*Vehicles AED'000*	*Capital work in progress AED'000*	*Total AED'000*
2024										
Cost:										
At 1 January 2024	79,277	132,313	532,127	49,068	80,004	294,426	362,057	87,655	9,461	1,626,388
Additions	-	16,311	6,532	2,455	4,336	15,917	17,196	20,480	41,098	124,325
Acquisition of subsidiaries (Note 35)	-	-	-	-	-	419	-	-	-	419
Transfers	-	310	162	14	1,590	4,178	941	631	(7,826)	-
Disposals	-	(7,226)	(1,536)	(3,998)	(5,726)	(23,618)	(13,054)	(6,161)	-	(61,319)
Reclassification	-	(167)	167	-	-	63	(63)	-	-	-
Impact of hyperinflation	-	1,153	325	127	260	902	(591)	1,340	-	3,516
Exchange differences	(4,829)	(3,897)	(14,344)	(1,382)	(3,166)	(11,592)	(7,054)	(6,406)	-	(52,670)
At 31 December 2024	**74,448**	**138,797**	**523,433**	**46,284**	**77,298**	**280,695**	**359,432**	**97,539**	**42,733**	**1,640,659**
Accumulated depreciation:										
At 1 January 2024	-	76,492	141,413	29,904	31,196	152,917	253,744	59,580	-	745,246
Charge for the year	-	13,452	15,955	4,862	5,214	27,084	38,704	9,688	-	114,959
Disposals	-	(7,014)	(1,536)	(3,834)	(2,698)	(21,858)	(12,638)	(4,023)	-	(53,601)
Impact of hyperinflation	-	1,954	325	135	259	538	(628)	985	-	3,568
Exchange differences	-	(2,344)	(3,393)	(924)	(1,179)	(5,683)	(5,601)	(3,634)	-	(22,758)
At 31 December 2024	**-**	**82,540**	**152,764**	**30,143**	**32,792**	**152,998**	**273,581**	**62,596**	**-**	**787,414**
Net book value:										
At 31 December 2024	**74,448**	**56,257**	**370,669**	**16,141**	**44,506**	**127,697**	**85,851**	**34,943**	**42,733**	**853,245**

4 PROPERTY AND EQUIPMENT (CONTINUED)

	Land AED'000	*Leasehold improvements AED'000*	*Buildings AED'000*	*Furniture and fixtures AED'000*	*Warehousing racks AED'000*	*Office equipment AED'000*	*Computers AED'000*	*Vehicles AED'000*	*Capital work in progress AED'000*	*Total AED'000*
2023										
Cost:										
At 1 January 2023	76,592	136,198	516,520	56,122	75,966	271,478	373,235	84,216	14,404	1,604,731
Additions	4,828	16,429	18,005	3,727	5,855	32,990	24,968	12,769	8,442	128,013
Transfers	-	38	-	-	3,122	6,694	2,934	597	(13,385)	-
Disposals	(27)	(21,091)	-	(6,424)	(3,674)	(18,084)	(38,210)	(6,962)	-	(94,472)
Reclassification	-	395	-	(3,685)	-	3,308	(18)	-	-	-
Impact of hyperinflation	-	1,601	509	197	370	1,145	631	1,794	-	6,247
Exchange differences	(2,116)	(1,257)	(2,907)	(869)	(1,635)	(3,105)	(1,483)	(4,759)	-	(18,131)
At 31 December 2023	79,277	132,313	532,127	49,068	80,004	294,426	362,057	87,655	9,461	1,626,388
Accumulated depreciation:										
At 1 January 2023	-	79,028	125,538	30,108	29,392	145,771	252,673	58,524	-	721,034
Charge for the year	-	14,101	16,229	6,054	5,214	24,876	38,096	8,776	-	113,346
Disposals	-	(17,814)	(10)	(5,906)	(3,154)	(17,171)	(36,868)	(6,092)	-	(87,015)
Impact of hyperinflation	-	1,930	509	161	239	614	488	1,178	-	5,119
Exchange differences	-	(753)	(853)	(513)	(495)	(1,173)	(645)	(2,806)	-	(7,238)
At 31 December 2023	-	76,492	141,413	29,904	31,196	152,917	253,744	59,580	-	745,246
Net book value:										
At 31 December 2023	79,277	55,821	390,714	19,164	48,808	141,509	108,313	28,075	9,461	881,142

Depreciation charge for the year is allocated as follows:

	2024 AED'000	*2023 AED'000*
Administrative expenses (Note 27)	**76,241**	75,605
Cost of services (Note 26)	**38,718**	37,741
	114,959	113,346

5 LEASES

The Group leases various land, buildings, equipment and motor vehicles. Rental contracts are typically made for fixed periods of 12 months to 10 years, but may have extension options.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Right of use assets

	Land AED'000	*Buildings AED'000*	*Equipment AED'000*	*Motor vehicles AED'000*	*Total AED'000*
Cost:					
At 1 January 2023	186,684	871,357	4,447	214,003	1,276,491
Additions	3,423	197,553	2,993	44,368	248,337
Terminations	(589)	(67,523)	(2,084)	(48,584)	(118,780)
Exchange differences	(100)	(5,475)	18	(3,214)	(8,771)
Impact of hyperinflation	-	9,327	-	328	9,655
At 31 December 2023	189,418	1,005,239	5,374	206,901	1,406,932
Additions	491	175,723	1,156	51,951	229,321
Disposals	(999)	(128,206)	(389)	(38,190)	(167,784)
Exchange differences	(159)	(38,667)	(201)	(5,734)	(44,761)
Impact of hyperinflation	-	7,911	-	127	8,038
At 31 December 2024	**188,751**	**1,022,000**	**5,940**	**215,055**	**1,431,746**
Accumulated depreciation:					
At 1 January 2023	23,400	285,441	2,216	104,910	415,967
Charge for the year	6,538	170,903	977	55,745	234,163
Terminations	(589)	(60,265)	(1,738)	(43,588)	(106,180)
Exchange rate difference	(49)	(3,137)	30	(1,799)	(4,955)
Impact of hyperinflation	-	4,009	-	(54)	3,955
At 31 December 2023	29,300	396,951	1,485	115,214	542,950
Charge for the year	6,346	166,868	1,147	50,167	224,528
Disposals	(151)	(125,993)	(389)	(38,296)	(164,829)
Exchange rate difference	(121)	(16,960)	(80)	(3,780)	(20,941)
Impact of hyperinflation	-	11,454	-	188	11,642
At 31 December 2024	**35,374**	**432,320**	**2,163**	**123,493**	**593,350**
Net book value:					
At 31 December 2024	**153,377**	**589,680**	**3,777**	**91,562**	**838,396**
At 31 December 2023	160,118	608,288	3,889	91,687	863,982

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	***2024* AED'000**	*2023 AED'000*
At 1 January	**948,586**	938,723
Additions	**229,321**	248,338
Finance cost	**52,360**	49,395
Payments of principal and interest	**(289,749)**	(274,024)
Disposals	**(3,969)**	(13,846)
At 31 December	**936,549**	948,586
Current	**179,806**	176,680
Non-current	**756,743**	771,906

5 LEASES (continued)

Future minimum annual payments under all non-cancellable finance leases together with the present value of the net minimum lease payments are as follows:

	Future minimum lease payments AED'000	***Interest AED'000***	***Present value of minimum lease payments AED'000***
2024 -			
Within one year	**230,767**	**50,961**	**179,806**
More than one year	**1,044,420**	**287,677**	**756,743**
	1,275,187	**338,638**	**936,549**

	Future minimum lease payments AED'000	*Interest AED'000*	*Present value of minimum lease payments AED'000*
2023 -			
Within one year	221,042	44,362	176,680
More than one year	1,065,143	293,237	771,906
	1,286,185	337,599	948,586

The following are the amounts recognised in profit or loss:

	2024 AED'000	*2023 AED'000*
Depreciation charge of right of use assets		
Administrative expenses (Note 27)	**37,504**	51,157
Cost of services (Note 26)	**187,024**	183,006
	224,528	234,163
Finance costs – lease liabilities	**52,360**	49,395
Expense relating to short-term and low-value leases (included in cost of services)	**9,020**	3,669
Expense relating to short-term and low-value leases (included in administrative expenses)	**5,327**	3,310

6 GOODWILL

	2024 AED'000	*2023 AED'000*
At 1 January	**1,750,191**	1,757,680
Acquisitions*	**8,557**	-
Measurement period adjustment**	**-**	(949)
Exchange differences	**(28,251)**	(6,540)
At 31 December	**1,730,497**	1,750,191

6 GOODWILL (continued)

* On 29 January 2024, the Group entered into an acquisition arrangement through a Business and Asset Sale Agreement ("BASA") to acquire 4th Dimension Transport named as "Aramex (Melbourne)"; a regional franchise of a courier and freight logistics located in Australia. (Note 35).

On 15 July 2024, the Group entered into an acquisition arrangement through an Asset Sale Agreement ("ASA") to acquire Baers Estate Pty Ltd Trading named as "Aramex (Geelong)"; a regional franchise of a courier and freight logistics located in Australia. (Note 35).

** The allocation of the purchase price for Access Shipping LLC (MyUS) has been modified during the measurement period, as more information was obtained about the fair value of assets acquired and liabilities assumed. The net impact on Goodwill was a decrease of AED 949 thousand (total net identifiable assets at fair value increased by AED 4,567 thousand while the total final consideration increased by AED 3,618 thousand upon the final collection of the escrow account).

The Group performed its annual impairment test on 31 December 2024 and 2023. The Group considers the relationship between its market capitalisation and its book value among other factors, when reviewing for indicators of impairment.

The recoverable amounts of the cash generating units have been determined based on a value in use calculation using cash flow projections from financial forecasts approved by the board of directors covering a five year period.

The goodwill was allocated to the following groups of cash generating units:

	2024	*2023*
	AED'000	*AED'000*
Publication and distribution	**6,212**	6,212
Aramex: *		
Express shipping	**1,046,905**	1,049,463
Domestic shipping	**445,570**	460,395
Freight forwarding	**160,310**	161,908
Logistics	**71,500**	72,213
	1,730,497	1,750,191

* Aramex is the cash generating unit which includes sub segments related to domestic shipping, express shipping, freight forwarding and logistics.

Key assumptions used in value-in-use calculations and sensitivity to changes in assumptions

The calculation of the value-in-use is most sensitive to the following assumptions:

Transaction volumes for the main cash generating units – based on average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development. The terminal value was determined using the fifth year projections adjusted by incorporating the weighted average cost of capital (WACC) and the growth rate.

Discount rates for the main cash generating units – Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its WACC for the industry measured at 8.8% (2023: 10%). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Growth rate estimates for the main cash generating units – Growth rate used of 3.1% (2023: 3.1%) are based on actual operating results and future expected performance based on current industry trends and including long-term inflation forecasts for each territory of Aramex.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

7 OTHER INTANGIBLE ASSETS

	Customer lists and other intangible assets with definite useful life AED'000	*Franchises with indefinite useful life* AED'000*	*Other intangible assets AED'000*	*Brand AED'000*	**Total** *AED'000*
Cost:					
At 1 January 2023	117,211	171,011	49,645	37,963	375,830
Exchange differences	-	(864)	-	-	(864)
At 31 December 2023	117,211	170,147	49,645	37,963	374,966
Additions	3,853	-	-	-	3,853
Acquisition of subsidiaries (Note 35)	4,199	15,336	-	-	19,535
Exchange differences	-	(19,876)	-	-	(19,876)
At 31 December 2024	**125,263**	**165,607**	**49,645**	**37,963**	**378,478**
Amortisation and impairment:					
At 1 January 2023	42,944	-	8,129	395	51,468
Amortisation	5,552	-	6,113	1,898	13,563
At 31 December 2023	48,496	-	14,242	2,293	65,031
Amortisation	6,131	-	6,113	1,898	14,142
At 31 December 2024	**54,627**	**-**	**20,355**	**4,191**	**79,173**
Net book value:					
At 31 December 2024	**70,636**	**165,607**	**29,290**	**33,772**	**299,305**
At 31 December 2023	68,715	170,147	35,403	35,670	309,935

* Intangible assets acquired through a business combination. These assets have indefinite useful lives and are tested for impairment annually as they represent an operational system used by the Group entities which is considered to have indefinite useful life. The Group intends to renew the franchise continuously and evidence supports its ability to do so. An analysis of market and competitive trends provides evidence that the franchise will generate net cash inflows for the Group for an indefinite period. Therefore, the franchise is carried at cost without amortisation, but is tested for impairment annually.

The Group performed its annual impairment test on 31 December 2024 and 2023. The Group considers the relationship between its market capitalisation and its book value among other factors, when reviewing for indicators of impairment. As at 31 December 2024, the market capitalisation of the Group was above the book value of its equity. The recoverable amounts of the cash generating units have been determined based on a value in use calculation using cash flow projections from financial forecasts approved by the board of directors covering a five-year period.

KEY ASSUMPTIONS USED IN VALUE-IN-USE CALCULATIONS AND SENSITIVITY TO CHANGES IN ASSUMPTIONS

The calculation of the value-in-use is most sensitive to the following assumptions:

Transaction volumes – based on average annual growth rate over the five-year forecast period; based on past performance and management's expectations of market development. The terminal value was determined using the fifth year projections adjusted by incorporating the weighted average cost of capital (WACC) and the growth rate.

Growth rate estimates – Growth rate used of 2.4% (2023: 2.4%) is based on actual operating results and future expected performance based on current industry trends and including long-term inflation forecasts for each territory.

7 OTHER INTANGIBLE ASSETS (CONTINUED)

KEY ASSUMPTIONS USED IN VALUE-IN-USE CALCULATIONS AND SENSITIVITY TO CHANGES IN ASSUMPTIONS (CONTINUED)

Discount rates – Discount rates represent the current market assessment of the risks specific to each cash generating unit, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC) for the industry of 8.3% to 8.4% (2023: 9.2% to 9.9%). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data. Adjustments to the discount rate are made to factor in the specific amount and timing of the future tax flows in order to reflect a pre-tax discount rate.

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

8 NON-CONTROLLING INTERESTS

As at 31 December 2024 and 2023, there were no subsidiaries with material non-controlling interest to the Group.

9 INVESTMENTS IN JOINT VENTURES

The details of the investments in joint ventures are as follows:

	Ownership percentage		*Country of incorporation*	*Nature of activity*	*Book value*	
	2024 %	2023 %			***2024 AED'000***	*2023 AED'000*
Aramex Sinotrans Co. LTD	**50**	50	China	Express, freight and logistics services	**15,558**	18,920
Aramex Logistics LLC	**50**	50	Oman	Logistics	**12,518**	12,109
					28,076	31,029

The joint ventures are accounted for using the equity method in the consolidated financial statements.

Summarised financial information of the joint ventures, based on their IFRS financial statements, are set out below:

	2024		
	Aramex Sinotrans Co. LTD AED'000	***Aramex Logistics LLC AED'000***	***Total AED'000***
Non-current assets	**9,792**	**24,322**	**34,114**
Current assets*	**71,734**	**11,648**	**83,382**
Non-current liabilities	**(3,305)**	**(8,878)**	**(12,183)**
Current liabilities**	**(47,105)**	**(2,056)**	**(49,161)**
Equity	**31,116**	**25,036**	**56,152**
Proportion of the Group's ownership	**50%**	**50%**	**50%**
Carrying amount of the investment	**15,558**	**12,518**	**28,076**

9 INVESTMENTS IN JOINT VENTURES (CONTINUED)

* The current assets of Aramex Sinotrans Co. Ltd include cash at banks amounted to AED 27,849 thousand, accounts receivable amounted to AED 27,415 thousand and other current assets amounted to AED 16,470 thousand.

** The current liabilities of Aramex Sinotrans Co. Ltd include, accruals amounted to AED 18,208 thousand, trade payables amounted to AED 18,044 thousand, other current liabilities amounted to AED 7,852 thousand, tax provisions amounted to AED 264 thousand and lease liability of AED 2,737 thousand.

	2023		
	Aramex Sinotrans Co. LTD AED'000	*Aramex Logistics LLC* AED'000	*Total* AED'000
Non-current assets	7,218	26,554	33,772
Current assets*	81,788	8,355	90,143
Non-current liabilities	(1,158)	(9,203)	(10,361)
Current liabilities**	(50,009)	(1,488)	(51,497)
Equity	37,839	24,218	62,057
Proportion of the Group's ownership	50%	50%	50%
Carrying amount of the investment	18,920	12,109	31,029

* The current assets of Aramex Sinotrans Co. Ltd include cash at banks amounted to AED 22,306 thousand, accounts receivable amounted to AED 45,911 thousand and other current assets amounted to AED 13,571 thousand.

** The current liabilities of Aramex Sinotrans Co. Ltd include, accruals amounted to AED 14,561 thousand, trade payables amounted to AED 23,459 thousand, other current liabilities amounted to AED 8,549 thousand, tax provision amounted to AED 545 thousand and lease liability of AED 2,895 thousand.

Summarised statement of profit or loss of the joint ventures:

	2024		
	Aramex Sinotrans Co. LTD AED'000	***Aramex Logistics LLC AED'000***	***Total AED'000***
Revenue	**299,370**	**12,993**	**312,363**
Cost of sale	**(268,965)**	**(8,895)**	**(277,860)**
Administrative expenses	**(20,045)**	**(2,518)**	**(22,563)**
Other expenses	**(6,769)**	**(573)**	**(7,342)**
Profit before tax	**3,591**	**1,007**	**4,598**
Income tax	**(835)**	**(189)**	**(1,024)**
Profit for the year	**2,756**	**818**	**3,574**
Group's share of profit for the year	**1,378**	**409**	**1,787**

	2023		
	Aramex Sinotrans Co. LTD AED'000	*Aramex Logistics LLC AED'000*	*Total AED'000*
Revenue	254,978	13,513	268,491
Cost of sale	(218,733)	(8,728)	(227,461)
Administrative expenses	(19,487)	(2,493)	(21,980)
Other expenses	(4,345)	(614)	(4,959)
Profit before tax	12,413	1,678	14,091
Income tax	(3,044)	1,042	(2,002)
Profit for the year	9,369	2,720	12,089
Group's share of profit for the year	4,684	1,360	6,044

The joint ventures had no contingent liabilities or capital commitments as at 31 December 2024 and 2023.

10 INVESTMENTS IN ASSOCIATES

The details of the investments in associates were as follows:

	Ownership percentage		*Country of incorporation*	*Nature of activity*	*Book value*	
	2024	2023			***2024***	*2023*
	%	*%*			***AED'000***	*AED'000*
Linehaul Express Australia Pty Ltd *	**-**	40	Australia	Domestic services	**-**	21
WS One Investment LLC**	**-**	25	UAE	Express services	**-**	-
Aramex Thailand Ltd	**49**	49	Thailand	Logistics and transportation	**3,341**	3,957
					3,341	3,978

* During 2024, the Group acquired an additional interest in Linehaul Express Australia Pty Ltd at fair value through the acquisition of regional franchisees, with no consideration exchanged. This acquisition resulted in the Group gaining control over the investment, leading to the recognition of a bargain purchase gain amounting to AED 114 thousand in the consolidated statement of profit or loss.

As of 31 December 2024, the assets, liabilities, income, and expenses of Linehaul Express Australia Pty Ltd have been fully consolidated into the Group's consolidated financial statements. Additionally, the Group recorded a share of results amounting to AED 1,376 thousand in profit in accordance with the equity method, for the period from 1 January 2024 up to the date of obtaining control over the investee on 1 July 2024.

** The Group disposed of its share in the investment in full with no impact on the consolidated financial statements.

The associates are accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarized financial information of the Group's investments in associates:

	2024			
	Linehaul Express Australia PTY Ltd AED'000	***WS One Investment LLC AED'000***	***Aramex Thailand Ltd AED'000***	***Total AED'000***
Non-current assets	**-**	**-**	**1,061**	**1,061**
Current assets	**-**	**-**	**8,478**	**8,478**
Non-current liabilities	**-**	**-**	**(336)**	**(336)**
Current liabilities	**-**	**-**	**(2,384)**	**(2,384)**
Equity	**-**	**-**	**6,819**	**6,819**
Proportion of the Group's ownership	**-**	**-**	**49%**	
Group's share	**-**	**-**	**3,341**	**3,341**
Carrying amount of the investment	**-**	**-**	**3,341**	**3,341**

10 INVESTMENTS IN ASSOCIATES (CONTINUED)

	2023			
	Linehaul Express Australia PTY Ltd AED'000	*WS One Investment LLC AED'000*	*Aramex Thailand Ltd AED'000*	*Total AED'000*
Non-current assets	1	2,267	1,193	3,461
Current assets	14,744	1,489	8,902	25,135
Non-current liabilities	-	-	(539)	(539)
Current liabilities	(14,691)	(3,756)	(1,480)	(19,927)
Equity	54	-	8,076	8,130
Proportion of the Group's ownership	40%	25%	49%	
Group's share	21	-	3,957	3,978
Carrying amount of the investment	21	-	3,957	3,978

	2024			
	Linehaul Express Australia PTY Ltd AED'000	***WS One Investment LLC AED'000***	***Aramex Thailand Ltd AED'000***	***Total AED'000***
Revenue	-	-	**21,137**	**21,137**
Cost of sale	-	-	**(16,751)**	**(16,751)**
Administrative expenses	-	-	**(4,382)**	**(4,382)**
Other expenses, net	-	-	**(1,287)**	**(1,287)**
Loss before tax	-	-	**(1,283)**	**(1,283)**
Income tax	**3,011**	-	**(1)**	**3,010**
Profit (loss) for the year	**3,011**	-	**(1,284)**	**1,727**
Group's share of profit for the year	**1,376**	-	**(629)**	**747**

	2023			
	Linehaul Express Australia PTY Ltd AED'000	*WS One Investment LLC AED'000*	*Aramex Thailand Ltd AED'000*	*Total AED'000*
Revenue	125,606	-	19,954	145,560
Cost of sale	(120,876)	-	(16,356)	(137,232)
Administrative expenses	(4,451)	-	(2,728)	(7,179)
Other expenses	(316)	-	(1,089)	(1,405)
Loss before tax	(37)	-	(219)	(256)
Income tax	(880)	-	3	(877)
Loss for the year	(917)	-	(216)	(1,133)
Group's share of loss for the year	(367)	-	(105)	(472)

The associates had no contingent liabilities or capital commitments as at 31 December 2024 and 2023.

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

At 31 December 2024, the Group designated investments disclosed in the following table as equity and debt securities at FVOCI. The FVOCI designation was made because the investments are expected to be held for strategic purposes rather than with a view to profit on a subsequent sale, and there are no plans to dispose of these investments in the short or medium term.

	Ownership percentage		*Country of incorporation*	*Nature of activity*	*Fair value*	
	2024 %	*2023 %*			***2024 AED'000***	*2023 AED'000*
Unquoted equity financial assets						
What 3 Words Ltd	**1.04**	1.13	UK	Global addressing systems	**15,241**	15,241
Jamalon Inc.	**-**	7.49	British Virgin Islands	Online book retail	**-**	-
Gutechno Logistics Private Ltd	**5.68**	5.68	India	Local delivery solutions	**-**	-
Flirtey Tech Pty Ltd.	**0.13**	0.13	USA	Drone Technology	**62**	70
Unquoted debt financial assets						
Cell captive			South Africa	Insurance	**1,570**	1,161
Shippify Inc			USA	Food delivery	**1,102**	1,102
					17,975	17,574

For equity instruments at fair value through OCI, gains and losses on these financial assets are never recycled to the consolidated statement of profit or loss. Dividends are recognised as other income in the consolidated statement of profit or loss when the right of payment has been established. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The movements on the investment during the year is as follows:

	2024 AED'000	*2023 AED'000*
As at 1 January	**17,574**	17,667
Gain (loss) from revaluation of debt instruments	**409**	(5)
Exchange differences	**(8)**	(88)
As at 31 December	**17,975**	17,574

12 INCOME TAX

The major components of income tax expense for the years ended 31 December 2024 and 2023 are:

Consolidated statement of profit or loss

	2024 ***AED'000***	*2023* *AED'000*
Current income tax expense	**49,462**	20,495
(Credit)/charge	**(3,657)**	2,218
Income tax expense reported in the consolidated statement of profit or loss	**45,805**	22,713

Deferred tax relates to the following:

Provision for expected credit losses	**7,540**	7,354
Impact of hyperinflation	**(1,092)**	(2,973)
Impact of IFRS 16	**8,025**	6,959
Depreciation	**(13,893)**	(15,887)
Employees' end of service benefits	**5,925**	8,962
Net operating losses carried forward	**35,793**	32,832
Intangible assets with indefinite useful life	**(60,277)**	(56,160)
Others	**16,579**	8,825
	(1,400)	(10,088)
Recognised as follows:		
As deferred tax assets	**33,351**	26,110
As deferred tax liabilities	**(34,751)**	(36,198)
	(1,400)	(10,088)

Reconciliation of deferred tax liability, net:

At 1 January	**(10,088)**	(2,693)
Benefit (charge) during the year	**3,657**	(2,218)
Foreign exchange	**5,031**	(5,177)
At 31 December	**(1,400)**	(10,088)

Reconciliation between accounting profit and taxable profit:

	2024 ***AED'000***	*2023* *AED'000*
Accounting profit before income tax	**182,991**	152,448
Non-deductible expenses	**112,976**	72,863
Taxable profit	**295,967**	225,311
Income tax expense reported in the consolidated statement of profit or loss	**45,805**	22,713
Effective income tax rate (%)	**25.03%**	14.90%

12 INCOME TAX (CONTINUED)

Movements on income tax provision were as follows:

At 1 January	**36,676**	46,038
Income tax expense for the year	**49,462**	20,495
Income tax paid	**(43,763)**	(34,357)
Prior period adjustments	**-**	9,855
Foreign exchange	**(7,195)**	(5,355)
At 31 December	**35,180**	36,676

In some countries, the tax returns for certain years have not yet been reviewed by the tax authorities. In certain tax jurisdictions, the Group has provided for its tax exposures based on the current interpretation and enforcement of the tax legislation in the jurisdiction. However, the Group's management is satisfied that adequate provisions have been made for potential tax contingencies.

Implementation of UAE Corporation Tax Law and application of IAS 12 Income Taxes

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

The Cabinet of Ministers Decision No. 116 of 2023 specifies the threshold of income over which the 9% CT rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000, a rate of 0% will apply to taxable income not exceeding AED 375,000, and a rate of 0% will apply on qualifying income of qualifying free zone entities.

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

Pillar Two

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting (BEPS) published the Pillar Two Anti Global Base Erosion Rules ("GloBE Rules") designed to address the tax challenges arising from the digitalisation of the global economy.

UAE, where the Group operates, published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses on 24 November 2023, as part of its commitment to the OECD guidelines.

The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules. The implementation of these rules in the UAE is still pending additional Cabinet Decisions, and the specific form and manner of implementation are yet to be determined.

12 INCOME TAX (CONTINUED)

Pillar Two (continued)

Separately, on 9 December 2024, the UAE Ministry of Finance (MoF) announced further amendments to Federal Decree-Law No. 47 of 2022, including the implementation of a Domestic Minimum Top-up Tax (DMTT) and the introduction of certain tax incentives. According to the MoF, these amendments aim to enhance the UAE's business environment and promote greater compliance with global standards for transparency and fairness. Press

reports indicate that the DMTT will impose a minimum effective tax rate of 15% on multinational enterprises (MNEs) with global revenues exceeding €750 million in at least two of the last four financial years, effective from 1 January 2025. The MoF is expected to provide further details on the legislation.

The Group operates in UAE where Pillar Two legislation will be effective from 1 January 2025 and will be applicable for fiscal year starting on or after 1 January 2025. The Group will continue to monitor the legislation and accrue any potential top-up tax when the legislation becomes effective, in accordance with the IAS 12 Amendments and considering the transitional Country-by-Country (CbC) safe harbour relief.

As of 31 December 2024, the Group has performed an impact assessment of the potential exposure to Pillar Two income taxes in jurisdictions where the legislation will be effective from 1 January 2025 and applicable for fiscal year starting 1 January 2025. The exposure is yet to be determined pending for further expected enactments to be announced in UAE.

It is unclear if the Pillar Two model rules create additional temporary differences, whether to remeasure deferred taxes for the Pillar Two model rules and which tax rate to use to measure deferred taxes. In response to this uncertainty, on 23 May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules.

The Group has applied this mandatory exception to recognising and disclosing information about deferred tax assets and liabilities arising from Pillar Two income taxes.

13 ACCOUNTS RECEIVABLE, NET

	2024 ***AED'000***	*2023* *AED'000*
Accounts receivable	**1,169,082**	1,184,933
Less: allowance for expected credit losses	**(64,238)**	(94,465)
	1,104,844	1,090,468

Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

Geographic concentration of accounts receivable as of 31 December is as follows:

	2024 ***%***	*2023* *%*
Gulf Cooperation Council	**49**	43
Middle East, North Africa and Turkey	**13**	19
East and South Africa	**4**	4
Europe	**10**	11
North America	**7**	6
North Asia	**2**	2
South Asia	**8**	8
Oceania	**7**	7

13 ACCOUNTS RECEIVABLE, NET (CONTINUED)

As at 31 December 2024, accounts receivable at nominal value of AED 64,238 thousand (2023: AED 94,465 thousand) were impaired. Movement on expected credit losses allowance was as follows:

	2024	*2023*
	AED'000	*AED'000*
At 1 January	**94,465**	95,921
(Recovery) charge for the year, net	**(6,772)**	19,812
Amounts written-off	**(19,238)**	(18,153)
Foreign exchange	**(4,217)**	(3,115)
At 31 December	**64,238**	94,465

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

						Trade Receivables Days past due						
	Current	***1 – 60 days***	***61 – 120 days***	***121 – 180 days***	***181-240 days***	***241-300 days***	***301-365 days***	***366-425 days***	***426-485 days***	***486-545 days***	***More than 545 days***	***Total***
	AED'000	***AED'000***	***AED'000***	***AED'000***	***AED'000***	***AED'000***	***AED'000***	***AED'000***	***AED'000***	***AED'000***	***AED'000***	***AED'000***
Expected credit loss rate	**0.71%**	**0.18%**	**1.59%**	**5.68%**	**9.17%**	**19.55%**	**29.41%**	**17.43%**	**51.99%**	**81.07%**	**100.00%**	
Gross carrying amount – Accounts receivable	**727,150**	**294,871**	**41,949**	**20,088**	**6,490**	**8,292**	**5,934**	**7,211**	**9,354**	**5,844**	**41,899**	**1,169,082**
Expected credit loss	**5,177**	**538**	**665**	**1,140**	**595**	**1,621**	**1,745**	**1,257**	**4,863**	**4,738**	**41,899**	**64,238**
31 December 2024	**721,973**	**294,333**	**41,284**	**18,948**	**5,895**	**6,671**	**4,189**	**5,954**	**4,491**	**1,106**	**-**	**1,104,844**

13 ACCOUNTS RECEIVABLE, NET (CONTINUED)

	Between current – 90 days past due	*Between 90 – 180 days past due*	*Between 180 – 270 days past due*	*Between 270 – 365 days past due*	*More than 365 days past due*	*Total*
	AED'000	*AED'000*	*AED'000*	*AED'000*	*AED'000*	*AED'000*
Expected credit loss rate	1%	11%	30%	66%	100%	
Gross carrying amount – Accounts receivable	998,407	81,250	33,640	15,312	56,324	1,184,933
Expected credit loss	8,984	8,939	10,158	10,060	56,324	94,465
31 December 2023	989,423	72,311	23,482	5,252	-	1,090,468

* During 2024, the Group revised the ECL calculation methodology updating aging window changed from 90 days to 60 days (Note 3). The change is considered a change in estimate and accounted for prospectively hence, trade receivables credit exposure as at 31 December 2023 has not been updated.

Accounts receivable are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 545 days past due.

Impairment losses on accounts receivable are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

14 OTHER CURRENT ASSETS

	2024	*2023*
	AED'000	*AED'000*
Advances to suppliers	**64,990**	55,133
Prepaid expenses	**53,337**	51,722
Refundable deposits	**41,926**	41,534
Withholding tax	**27,845**	24,032
Others*	**102,334**	93,883
	290,432	266,304

* This item mainly represent stationery, supplies and other receivables.

15 CASH AND BANK BALANCES

	2024	*2023*
	AED'000	*AED'000*
Bank balances and cash	**506,588**	567,189
Restricted cash, margins and fixed deposits*	**6,142**	8,021
	512,730	575,210

Bank deposits consist of margin deposits of AED 5,842 thousand (2023: AED 6,157 thousand) and long-term deposits with maturities greater than 3 months of AED 300 thousand (2023: AED 1,864 thousand).

Long-term deposits are held with local and foreign banks. These are long-term in nature with an original maturity of more than three months at an effective interest rate ranging between 5.25% - 9.875% per annum (2023: 4% - 6.88% per annum).

Included in cash at banks are amounts totalling AED 379,554 thousand (2023: AED 426,753 thousand) of cash held at foreign banks abroad and amounts totalling approximately AED 38,953 thousand (2023: AED 53,468 thousand) of cash on delivery collected by the Group on behalf of customers, the same balance was recorded as other current liabilities on the consolidated statement of financial position.

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

	2024	*2023*
	AED'000	*AED'000*
Restricted cash	**204**	181
Less: impairment for expected credit losses	**(204)**	(181)
	-	-

Movement on expected credit losses was as follows:

	2024	*2023*
	AED'000	*AED'000*
At 1 January	**181**	38
Charge for the year	**23**	227
Exchange rate difference	**-**	(84)
At 31 December	**204**	181

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprises the following at 31 December:

	2024	*2023*
	AED'000	*AED'000*
Bank balances and cash	**506,588**	567,189
Less: bank overdrafts (Note 22)	**(4,015)**	(2,848)
	502,573	564,341

16 SHARE CAPITAL

	2024	2023
Authorised, issued and paid up capital	***AED'000***	*AED'000*
2024: 1,464,100,000 ordinary shares of AED 1 each (2023: 1,464,100,000 ordinary shares of AED 1 each)	**1,464,100**	1,464,100

17 RESERVES

Statutory reserve
In accordance with the Company's Articles of Association and the UAE Federal Decree Law No. (32) of 2021, 10% of the net profit for each year is required to be transferred to a statutory reserve. Such transfers may be ceased when the statutory reserve equals half of the paid-up share capital of the applicable entities. This reserve is non-distributable except in certain circumstances. The consolidated statutory reserve reflects transfers made post-acquisition for subsidiary companies together with transfers made by the Parent Company. It does not, however, reflect the additional transfers to the consolidated statutory reserves which would be made if the retained post-acquisition profits of the subsidiaries were distributed to the Parent Company.

Foreign currency translation reserve
The foreign currency translation reserve is used to record exchange differences arising from the translation of the consolidated financial statements of foreign subsidiaries.

Reserve arising from acquisition of non-controlling interests
The reserve represents the difference between the consideration paid to acquire non-controlling interests and the carrying amount of those interests at the date of acquisition.

Reserve arising from other comprehensive income items
Reserve arising from other comprehensive income items comprise of the following reserves:

Fair value reserve of financial assets at fair value through other comprehensive income
The fair value reserve of financial assets at fair value through other comprehensive income is used to record the differences arising from the fair valuation of the Group's financial assets at fair value through other comprehensive income.

	2024	*2023*
	AED'000	*AED'000*
At 1 January	**(12,015)**	(11,804)
Net gain (loss) from revaluation of debt instruments	**409**	(92)
Transfer of fair value reserve of equity instruments designated at FVOCI	**5,524**	-
Remeasurements of post-employment benefit obligations (Note 20)	**(149)**	(119)
At 31 December	**(6,231)**	(12,015)

18 DIVIDENDS

At the Annual General Meeting of the shareholders held on 18 April 2023, the shareholders approved a cash dividend of AED 139,580 thousand. The dividends per share amounted to AED 0.0953.

19 INTEREST-BEARING LOANS AND BORROWINGS

	2024	*2023*
	AED'000	*AED'000*
Non-current		
Revolving and term loans (a)	**911,918**	1,066,766
Notes payable	**-**	569
	911,918	1,067,335
Current		
Revolving and term loans (a)	**21,257**	47,176
Notes payable	**-**	1,329
	21,257	48,505

19 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

(a) Revolving and term loans

Revolving loan

On 23 April 2019, Aramex PJSC entered into a new 5 year revolving credit facility agreement with a syndicate of banks comprising of HSBC Bank Middle East Limited, CITIBANK, N.A, Emirates NBD Bank PJSC, First Abu Dhabi Bank PJSC and DBS Bank LTD (DIFC Branch). The rate of interest on each loan for each interest period is the percentage rate per annum which is aggregate of the applicable margin and SOFR. The total limit of this facility is USD 200 million (equivalent to AED 735 million). The purpose of this facility is to fund capital expenditure and working capital requirements including permitted acquisitions. The loan is secured by corporate guarantee extended by Aramex PJSC, Aramex Abu Dhabi LLC, Aramex Emirates LLC, Aramex International LLC, Aramex Hong Kong Limited, Aramex Int'l Egypt for Air & Local Services (Egypt), Aramex Saudi Limited Company, Aramex UK Limited, Aramex Doha WLL and Aramex International Limited (Kuwait). This revolving loan has expired on the 23 April 2024.

Term loans

HSBC loan (1)

During 2022, Aramex Fastway refinanced a 5 year term loan agreement with HSBC Bank Australia that matured in January 2022. The total loan amount is AED 83.2 million (AUD 28.7 million) bearing annual interest rate of AUD (BBSY) plus a margin of 2.1% p.a. The term loan is repayable in 20 consecutive quarterly instalments, the first instalment was due on 31 March 2021. The loan was subsequently refinanced in February 2024, with a revised margin of 1.55% p.a. which included a six month payment holiday for the Feb 2024 and May 2024 installment due. The purpose of the loan is to finance capital expenditure of the Group or general corporate purposes of the Group. The loan is secured by corporate guarantee extended by Aramex PJSC.

HSBC loan (2)

During 2022, Aramex New Zealand refinanced a 5 year term loan agreement with HSBC Bank New Zealand that matured in January 2023. The total loan amount is AED 85 million (NZD 31.62 million) bearing annual interest rate of NZD (BKBM) plus a margin of 2.1% p.a. The term loan is repayable in 20 consecutive quarterly instalments, the first instalment was due on 31 March 2021. The loan was subsequently refinanced in February 2024, with a revised margin of 1.55% p.a. which included a six month payment holiday for the Feb 2024 and May 2024 installment due. The purpose of the loan is to finance capital expenditure of the Group or general corporate purposes of the Group. The loan is secured by corporate guarantee extended by Aramex PJSC.

Acquisition Financing – MyUS Syndicated loan

On 5th of August 2022, Aramex UK and Aramex USA entered into a new 5 year credit facility agreement with a syndicate of banks comprising Emirates NBD Bank PJSC and First Abu Dhabi Bank PJSC. The purpose of this facility is to fund MyUS acquisition. The loan is secured by corporate guarantee extended by Aramex PJSC, Aramex Abu Dhabi LLC, Aramex Emirates LLC, Aramex Hong Kong Limited, Aramex Int'l Egypt for Air & Local Services (Egypt), Aramex Saudi Limited Company, Aramex UK Limited, Aramex Doha WLL, Aramex International Limited (Kuwait), Aramex USA and MyUS. The financing arrangement of the loan has been agreed to be drawn in GBP and USD currencies with interest rates as detailed below:

(1) The loan was drawn by Aramex UK on 14th October 2022 from Emirates NBD Bank PJSC. The amount drawn under the facility is GBP 53.825 million (AED 239.2 million) bearing a quarterly interest rate which is the aggregate of the over-night SONIA daily rate compounded in arrears plus a margin of 1.25% p.a.

(2) The loan was drawn by Aramex UK on 17th October 2022 from Emirates NBD Bank PJSC. The amount drawn under the facility is USD 50 million (AED 183.6 million) bearing a quarterly interest rate which is the aggregate of the over-night SOFR daily rate compounded in arrears plus a margin of 1.35% p.a.

(3) The loan was drawn by Aramex USA on 17th of October 2022 from First Abu Dhabi Bank PJSC. The amount drawn under the facility is USD 150 million (AED 550.9 million) bearing a quarterly interest rate which is the aggregate of the over-night SOFR daily rate compounded in arrears plus a margin of 1.35% p.a.

19 INTEREST-BEARING LOANS AND BORROWINGS (CONTINUED)

Term loans (continued)

Acquisition Financing – MyUS Syndicated loan (continued)

There were several financial covenants attached to the interest-bearing loans and borrowings. The Group's subsidiaries complied with financial covenants as of 31 December 2024.

During 2024, in addition to the 2023 repayment of GBP 5 million for the loan drawn by Aramex UK in (1) above, the Group made an early principal settlement for the amount of USD 43 million (AED 157.9 million) over six installments for the loan drawn by Aramex USA in (3) above.

Others

Term loans also include a number of loans obtained by Group with a balance of AED 1.73 million to finance their operating activities. These loans carry interest at commercial rates, are repayable in regular instalments and are subject to covenants consistent with the Group's borrowing policies. The loans are secured by corporate guarantees extended by various Group's subsidiaries.

The principal instalments payable after 2025 for loans as of 31 December 2024 are as follows:

Year	***AED'000***
2026	**5,574**
2027	**5,482**
2028	**55,684**
2029	**845,178**
Total	**911,918**

20 EMPLOYEES' END OF SERVICE BENEFITS

Movements on provision for employees' end of service benefits were as follows:

	2024 ***AED'000***	*2023* *AED'000*
At 1 January	**169,968**	164,136
Provided during the year (Note 29)	**45,936**	33,758
Paid during the year	**(19,051)**	(25,997)
Discontinued operations	**-**	(13)
Actuary valuation through other comprehensive income (Note 17)	**149**	119
Exchange differences	**(150)**	(2,035)
At 31 December	**196,852**	169,968

Principal assumptions used in determining benefit obligations for the Group are shown below:

	2024 *%*	*2023* *%*
Discount rate	**4.37 - 7.05**	5.4 - 8.28
Salary increase rate	**3.3 - 5**	3.3 – 8.5
Normal retirement age (years)	**64**	64

The provision recorded during the year includes the following:

	2024 ***AED'000***	*2023* *AED'000*
Current service cost	**21,839**	21,050
Past service cost	**8,592**	1,299
Finance cost	**8,524**	7,113

20 EMPLOYEES' END OF SERVICE BENEFITS (continued)

The expected maturity analysis of undiscounted employee benefits obligations is as follows:

	2024 *AED'000*	*2023* *AED'000*
Between 1 – 5 years	**80,161**	69,565
Over 5 years	**172,933**	177,044
	253,094	246,609

A quantitative sensitivity analysis for significant assumptions on the defined benefit obligation as at 31 December 2024 and 31 December 2023 is, as shown below:

	Impact on defined benefit obligation	
	2024 ***AED'000***	*2023* *AED'000*
Discount rate:		
0.5% increase	**(851)**	(660)
0.5% decrease	**632**	635
Salary increase rate:		
0.5% increase	**638**	636
0.5% decrease	**(864)**	(666)

The sensitivity analyses above have been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analyses are based on a change in a significant assumption, keeping all other assumptions constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

21 ACCOUNTS PAYABLE

Accounts payable mainly include payables to third party suppliers against invoices received from them for line haul, freight services, handling and delivery charges.

22 BANK OVERDRAFTS

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

	2024 ***AED'000***	*2023* *AED'000*
Aramex Tunisia (Arab Bank)	**2,282**	608
Aramex Special Logistics (Citibank)	**1,733**	-
Aramex Algeria S.A.L (Citibank)	**-**	2,240
	4,015	2,848

These overdraft facilities are secured by corporate guarantees extended by various Group's subsidiaries.

23 PROVISIONS

Movements in provisions are as follows:

	Total *AED'000*
Carrying amount at 1 January 2023	71,380
Provided during the year	27,691
Reversed during the year	(35,899)
Paid during the year	(15,887)
Exchange differences	389
Carrying amount at 31 December 2023	47,674
Provided during the year	18,494
Reversed during the year	(13,753)
Paid during the year	(21,325)
Exchange differences	(834)
Carrying amount at 31 December 2024	**30,256**

The above provisions primarily relate to legal and other claims.

24 OTHER CURRENT LIABILITIES

	2024 ***AED'000***	*2023* *AED'000*
Accrued expenses	**427,026**	420,961
Sales tax and other taxes	**88,236**	69,083
Customers' deposits	**22,479**	20,255
Deferred revenue	**15,474**	15,304
Social security taxes payable	**7,026**	6,402
Others *	**130,150**	127,834
	690,391	659,839

* As at 31 December 2024, this balance included liabilities related mainly to cash on delivery collected by the Group on behalf of the customers, amounting to AED 38,953 thousand (2023: AED 53,468 thousand) (Note 15).

25 RENDERING OF SERVICES

	2024 ***AED'000***	*2023* *AED'000*
International express	**2,412,484**	2,295,412
Freight forwarding	**1,723,973**	1,495,870
Domestic express	**1,685,599**	1,427,360
Logistics	**455,318**	428,927
Others*	**47,070**	46,453
	6,324,444	5,694,022

* Represents revenues from other special services which the Group renders, including publications and distribution and visa services. All related costs are reflected in cost of services.

The Group does not expect to have any contracts where the period between the transfer of the promised services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

26 COST OF SERVICES

	2024	*2023*
	AED'000	*AED'000*
Freight forwarding costs	**1,332,140**	1,120,712
International express costs	**1,216,986**	1,143,457
Domestic express costs	**832,703**	671,066
Salaries and benefits (Note 29)	**804,153**	742,160
Depreciation of right of use assets (Note 5)	**187,024**	183,006
Logistics costs	**104,301**	92,619
Vehicle running and maintenance	**89,636**	84,401
Supplies	**44,744**	48,689
Depreciation of property and equipment (Note 4)	**38,718**	37,741
Communication expenses	**19,240**	18,325
Government fees and taxes	**4,684**	4,033
Others	**137,912**	120,884
	4,812,241	4,267,093

27 ADMINISTRATIVE EXPENSES

	2024	*2023*
	AED'000	*AED'000*
Salaries and benefits (Note 29)	**380,544**	363,239
Software expenses	**105,419**	91,869
Office and equipment maintenance	**24,659**	17,457
Depreciation of property and equipment (Note 4)	**76,241**	75,605
Depreciation of right of use assets (Note 5)	**37,504**	51,157
Professional fees	**40,919**	40,373
Communication expenses	**40,200**	36,869
Insurance and security	**23,396**	24,122
Government fees and taxes	**32,049**	21,407
Utilities	**9,884**	10,244
Travel expenses	**11,110**	9,897
Entertainment	**8,576**	7,139
Printing and stationary	**4,509**	5,022
Vehicle running expenses	**4,547**	4,054
Corporate social responsibility	**1,398**	1,769
Legal expenses	**9,878**	2,894
Sponsorship	**18**	248
Others	**82,150**	81,763
	893,001	845,128

28 OTHER INCOME, NET

	2024	*2023*
	AED'000	*AED'000*
Exchange gain (loss)	**582**	(3,795)
Gain on disposals of property and equipment and right of use assets	**1,046**	87
Miscellaneous income	**9,166**	17,060
	10,794	13,352

29 STAFF COSTS

	2024 *AED'000*	*2023* *AED'000*
Salaries and allowances	**1,380,628**	1,296,088
End of service benefits (Note 20)	**45,936**	33,758
Other employees' benefits	**25,133**	16,189
	1,451,697	1,346,035
Staff costs are allocated as follows:		
Administrative expenses (Note 27)	**380,544**	363,239
Selling and marketing expenses	**267,000**	240,636
Cost of services (Note 26)	**804,153**	742,160
	1,451,697	1,346,035

30 RELATED PARTY TRANSACTIONS

Certain related parties (directors, officers and shareholders of the Group and companies which they control or over which they exert significant influence) were suppliers 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 consolidated statement of profit or loss are as follows:

Directors' fees paid

Directors' fees of AED 2,780 thousand representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2024 were accrued for during 2024 (2023: an amount of AED 2,675 thousand were accrued for during 2023). Directors' fees of AED 2,675 thousand representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2023 were paid in 2024 (2023: AED 2,987 thousand representing remuneration for attending meetings and compensation for professional services rendered by the directors for the year 2022 were paid in 2023).

Key management compensation

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

	2024 *AED'000*	*2023* *AED'000*
Salaries and other short-term benefits	**13,999**	12,832
Board remuneration	**2,675**	2,987
End of service benefits	**609**	537
	17,283	16,356

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year in the normal course of business. The outstanding balances as at 31 December 2024 and 2023 are included in Notes 13 and 21:

		Sales to related parties AED'000	*Cost from related parties AED'000*	*Amounts owed by related parties (*) AED'000*	*Amounts owed to related parties (**) AED'000*
Associates and partners:					
	2024	**992**	**1,069**	**29**	**631**
	2023	2,140	1,275	33	839
Joint ventures in which the parent is a venture:					
	2024	**55,622**	**609**	**13,438**	**-**
	2023	53,557	736	18,503	10

30 RELATED PARTY TRANSACTIONS (continued)

Key management compensation (continued)

		Sales to related parties	*Cost from related parties*	*Amounts owed by related parties (*)*	*Amounts owed to related parties (**)*
		AED'000	*AED'000*	*AED'000*	*AED'000*
Related parties and companies controlled by shareholders (***)					
	2024	**154,753**	**-**	**21,482**	**640**
	2023	154,727	-	42,722	1,650

(*) These amounts are classified as accounts receivable. No loss allowance was recognised in relation to amounts owed by related parties during 2024 and 2023.

(**) These amounts are classified as accounts payable.

(***) Included in the above, balances as at 31 December 2024 and 31 December 2023 and transactions for the year ended 31 December 2024 by the shareholders, GeoPost and Abu Dhabi Ports PJSC.

31 EARNINGS PER SHARE

	31 December 2024	*31 December 2023*
Profit attributable to shareholders of the Parent (AED'000)		
Profit for the year from continuing operations	**135,472**	130,626
Profit (loss) for the year from discontinued operations	**6,339**	(1,329)
	141,811	129,297
Weighted average number of shares during the year (shares)	**1,463 Million**	1,464 Million
Basic and diluted earnings per share from continuing operations (AED)	**0.093**	0.089
Basic and diluted earnings per share from discontinued operations (AED)	**0.004**	(0.001)

32 SEGMENTAL 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:

For management purposes, the Group is organised into four operating segments:

- Courier: includes delivery of small packages across the globe to both, retail and wholesale customers, and express delivery of small parcels and pick up and deliver shipments within the country, 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.

32 SEGMENTAL INFORMATION (CONTINUED)

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 gross profit.

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

The following table presents revenue and profit information for each of the Group's operating segments for the years ended 31 December 2024 and 2023, respectively.

	Courier AED'000*	*Freight forwarding AED'000*	*Logistics AED'000*	*Others AED'000*	*Total AED'000*
Year ended 31 December 2024					
Revenue					
Total revenues from rendering of services	**5,343,289**	**2,052,336**	**456,884**	**134,307**	**7,986,816**
Inter-segment	**(1,245,206)**	**(328,363)**	**(1,566)**	**(87,237)**	**(1,662,372)**
Total revenues after elimination	**4,098,083**	**1,723,973**	**455,318**	**47,070**	**6,324,444**
Gross profit	**1,179,219**	**219,956**	**70,362**	**42,666**	**1,512,203**
Earnings before interest and tax	**211,427**	**56,505**	**8,401**	**20,342**	**296,675**
Depreciation and amortisation charged on operating expenses	**130,910**	**13,967**	**80,846**	**19**	**225,742**
Depreciation and amortisation charged on general and administrative expenses	**101,621**	**14,215**	**10,610**	**1,441**	**127,887**
Year ended 31 December 2023					
Revenue					
Total revenues from rendering of services	4,806,009	1,790,667	429,776	129,800	7,156,252
Inter-segment	(1,083,237)	(294,797)	(849)	(83,347)	(1,462,230)
Total revenues after elimination	3,722,772	1,495,870	428,927	46,453	5,694,022
Gross profit	1,093,067	229,338	65,283	39,241	1,426,929
Earnings before interest and tax	167,876	63,819	17,472	17,494	266,661
Depreciation and amortization charged on operating expenses	128,499	11,466	80,753	29	220,747
Depreciation and amortization charged on general and administrative expenses	112,075	17,049	9,986	1,215	140,325

* Courier segment includes international express and domestic express.

Transactions between stations are priced at an arm's length basis. All material intra group transactions have been eliminated on consolidation. The Group does not segregate assets and liabilities by business segments and, accordingly, such information is not presented.

Geographical segments

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

32 SEGMENTAL INFORMATION (CONTINUED)

Geographical segments (continued)

Revenues, assets and liabilities by geographical segment are as follows:

	2024 *AED'000*	*2023* *AED'000*
Revenues		
United Arab Emirates	**1,091,585**	967,814
Gulf Cooperation Council excluding United Arab Emirates	**1,424,406**	1,267,171
Middle East, North Africa and Turkey	**962,854**	779,806
East and South Africa	**298,067**	298,518
Europe	**663,690**	707,957
North America	**550,078**	582,407
North Asia	**141,956**	155,770
South Asia	**427,653**	415,297
Oceania	**764,155**	519,282
	6,324,444	5,694,022

Assets	*2024* *AED'000*	*2023* *AED'000*
United Arab Emirates	**1,661,837**	1,701,890
Gulf Cooperation Council excluding United Arab Emirates	**706,410**	691,049
Middle East, North Africa and Turkey	**548,479**	647,205
East and South Africa	**145,029**	137,475
Europe	**506,715**	530,342
North America	**1,123,755**	1,105,754
North Asia	**54,101**	49,336
South Asia	**245,575**	264,353
Oceania	**733,720**	700,436
	5,725,621	5,827,840

Non - current assets*	*2024* *AED'000*	*2023* *AED'000*
United Arab Emirates	**638,825**	676,566
Gulf Cooperation Council excluding United Arab Emirates	**311,023**	321,473
Middle East, North Africa and Turkey	**218,267**	247,521
East and South Africa	**63,116**	49,510
Europe	**134,738**	156,455
North America	**208,228**	179,639
North Asia	**15,287**	10,158
South Asia	**83,416**	81,346
Oceania	**367,438**	384,972
	2,040,338	2,107,640

Liabilities	*2024* *AED'000*	*2023* *AED'000*
United Arab Emirates	**605,834**	572,231
Gulf Cooperation Council excluding United Arab Emirates	**635,695**	609,541
Middle East, North Africa and Turkey	**207,791**	255,033
East and South Africa	**73,496**	67,932
Europe	**577,568**	605,687
North America	**534,823**	660,949
North Asia	**33,186**	34,594
South Asia	**107,742**	101,423
Oceania	**425,905**	452,530
	3,202,040	3,359,920

* Non-current assets for this purpose consist of property and equipment, right of use assets, other intangible assets, financial assets at fair value through other comprehensive income and investments in joint ventures and associates. Goodwill is allocated to business segments (Note 6).

33 COMMITMENTS AND CONTINGENCIES

Guarantees

	2024 AED'000	*2023 AED'000*
Letters of guarantee	**179,894**	143,414

Capital commitments

As at 31 December 2024, the Group has capital commitments of AED 40,042 thousand (2023: AED 17,000 thousand) towards purchase/construction of property and equipment.

Legal claims contingency

The Group is a defendant in a number of lawsuits amounting to AED 73,525 thousand representing legal actions and claims related to its ordinary course of business (2023: AED 97,581 thousand). Management and its legal advisors believe that the provision recorded of AED 14,231 thousand as of 31 December 2024 is sufficient to meet the obligations that may arise from the lawsuits (2023: AED 16,282 thousand).

34 FINANCIAL RISK MANAGEMENT

34.1 FINANCIAL RISK FACTORS

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance as well as policies covering specific areas.

The Group's risk management is predominantly controlled by a central treasury and credit department under policies approved by the management. Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The management provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign currency exchange rates.

The Group is exposed to currency risk mainly on purchases and sales that are denominated in a currency other than the respective functional currencies of the Group entities, primarily the United States Dollar (USD), Euro (EUR), Egyptian Pound (EGP), Sterling (GBP), South African Rand (ZAR), Turkish Lira (TRY) and the Indian Rupee (INR). The currencies in which these transactions are primarily denominated are Euro, USD, ZAR, TRY and GBP. The Parent Company and a number of other Group entities' functional currencies are either the USD or currencies that are pegged to the USD. As a significant portion of the Group's transactions are denominated in USD, this reduces currency risk. The Group also has currency exposures to currencies that are not pegged to the USD.

Significant portion of the Group's trade payables and all of its foreign currency receivables, denominated in a currency other than the functional currency of the respective Group entities, are subject to risks associated with currency exchange fluctuation. The Group reduces some of this currency exposure by maintaining some of its bank balances in foreign currencies in which some of its trade payables are denominated.

The following table demonstrates the sensitivity to a reasonably possible change in the AED exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 FINANCIAL RISK FACTORS

(i) Foreign currency risk (continued)

	Changes in currency rate to AED %	***Effect on profit before tax AED'000***
2024		
EUR	+10	(1,588)
INR	+10	893
GBP	+10	3,357
EGP	+10	(1,573)
TRY	+10	(2,012)
ZAR	+10	(41)
2023		
EUR	+10	(670)
INR	+10	402
GBP	+10	2,552
EGP	+10	(88)
TRY	+10	(4,448)
ZAR	+10	(398)

The effect of decreases in exchange rates are expected to be equal and opposite to the effects of the increases shown.

(ii) Price risk

The Group is not exposed to price risk as the Group has not invested in listed securities.

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is exposed to interest rate risk on its interest bearing liabilities which carry variable interest rates (bank overdrafts and term loans).

Term deposits issued at fixed interest rates expose the Group to fair value interest rate risk. The Group's management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

The sensitivity analysis calculates the effect of a reasonably possible movement in the interest rate on the consolidated statement of profit or loss:

	2024 AED'000	*2023 AED'000*
Variable rate instruments		
+100 bps	(9,372)	(11,187)
- 100 bps	9,372	11,187

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

The Group is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to meet an obligation.

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 FINANCIAL RISK FACTORS (CONTINUED)

(b) Credit risk (continued)

Credit risk arises from cash and bank balances, deposits with banks (including fixed and margin deposits) and financial institutions, as well as credit exposures to customers, including outstanding receivables. Individual risk limits are based on management's assessment on a case-by-case basis. The utilisation of credit limits is regularly monitored.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets as presented in the consolidated statement of financial position.

Financial instruments

Credit risk is managed on a Group basis. The Group's policy is to place cash and cash equivalents with reputable banks and financial institutions that have average credit ratings with respect to each economy in which the Group operates.

The Group's investments in debt instruments are considered to be low risk investments. The credit ratings of the investments are monitored for credit deterioration.

Trade receivables

The Group trades only with recognised, creditworthy third parties in addition to establishing credit limits for customers' balances. Receivable balances and credit limits are monitored on an ongoing basis with the result of discontinuing the service for customers exceeding certain limits for a certain period of time. The Group earns its revenues from a large number of customers spread across different geographical segments. However, geographically 66% of the Group's accounts receivable are based in the Middle East and Africa. Credit risks are limited to the carrying values of financial assets in the consolidated statement of financial position.

At 31 December 2024, the Group had 5 customers (2023: 5 customers) that accounted for approximately 26 % (2023: 32%) of all the receivables outstanding.

Climate related matters

Aramex is exposed to risk of loss from climate changes and is implementing processes aimed at monitoring and mitigating those risks, including commissioning solar projects across the Group and introducing electric vehicles as part of the "Green Mobility" initiative. Further, sustainability is integrated into its operations at all levels to respond to the dynamic changes occurring globally, regionally, and locally.

Impairment of financial assets

The Group has four types of financial assets that are subject to the expected credit loss model:

- accounts receivable,
- debt investments carried at FVOCI,
- cash and bank balances,
- restricted cash, margins and bank deposits, and
- other current assets.

While other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making a contractual payment.

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 FINANCIAL RISK FACTORS (CONTINUED)

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either but not limited to the following main criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that potential default may occur when a financial asset is more than 545 days after invoice issuance date.

Accounts receivable

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all accounts receivable and contract assets.

To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The impairment loss for accounts receivable is based on assumptions about risk of default and expected loss rates.

The expected loss rates are based on the roll rates of receivables over a period of 18 quarters before 31 December 2024 or 1 January 2024 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current factors affecting the ability of the customers to settle the receivables.

Debt investments carried at FVOCI

All of the entity's debt investments at FVOCI are considered to have low credit risk, and the impairment loss recognised during the year was therefore limited to 12 months' expected losses. Management consider 'low credit risk' for listed bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

Restricted cash, margins and fixed deposits

During the year ended 31 December 2024 the impairment loss on restricted cash amounted to AED 23 thousand (2023: impairment loss of AED 227 thousand) due to the economic situation in Lebanon as detailed in Note 15.

(c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Management aims to maintain flexibility in funding by keeping committed credit lines available.

The management is confident that the current assets are sufficient to cover the current liabilities of the Group. The Group has complied with the financial covenants of its borrowing facilities during the 2024 and 2023 reporting periods (Note 19).

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 FINANCIAL RISK FACTORS (CONTINUED)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

In order to avoid excessive concentrations of risk, the Group's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

31 December 2024	***Less than 3 months AED'000***	***Between 3 – 12 months AED'000***	***Between 1 and 2 years AED'000***	***Between 2 and 5 years AED'000***	***Over 5 years AED'000***	***Total AED'000***
Interest-bearing loans and borrowings	**28,484**	**42,354**	**13,001**	**593,152**	**451,631**	**1,128,622**
Lease liabilities	**79,549**	**151,218**	**180,838**	**320,252**	**543,329**	**1,275,186**
Bank overdrafts	**4,278**	**-**	**-**	**-**	**-**	**4,278**
Accounts payable, provisions, and current liabilities (excluding deferred revenue)	**1,036,233**	**-**	**-**	**-**	**-**	**1,036,233**
	1,148,544	**193,572**	**193,839**	**913,404**	**994,960**	**3,444,319**

31 December 2023	*Less than 3 months AED'000*	*Between 3 – 12 months AED'000*	*Between 1 and 2 years AED'000*	*Between 2 and 5 years AED'000*	*Over 5 years AED'000*	*Total AED'000*
Interest-bearing loans and borrowings	58,378	67,913	20,571	676,699	431,621	1,255,182
Lease liabilities	79,600	141,442	169,267	308,127	587,749	1,286,185
Bank overdrafts	3,032	-	-	-	-	3,032
Accounts payable, provisions, and other current liabilities (excluding deferred revenue)	1,018,573	-	-	-	-	1,018,573
	1,159,583	209,355	189,838	984,826	1,019,370	3,562,972

34 FINANCIAL RISK MANAGEMENT (CONTINUED)

34.1 FINANCIAL RISK FACTORS (CONTINUED)

Changes in liabilities arising from financing activities

	1 January 2024 AED'000	***Cash flows AED'000***	***Disposals AED'000***	***Foreign exchange movement AED'000***	***Finance cost and additions AED'000***	***31 December 2024 AED'000***
Interest-bearing loans and borrowings	1,115,840	(231,582)	-	(19,738)	68,655	933,175
lease liabilities (Note 5)	948,586	(289,749)	(3,969)	-	281,681	936,549
Total liabilities from financing activities	2,064,426	(521,331)	(3,969)	(19,738)	350,336	1,869,724

	1 January 2023 AED'000	***Cash flows AED'000***	***Disposals AED'000***	***Foreign exchange movement AED'000***	***Finance cost and additions AED'000***	***31 December 2023 AED'000***
Interest-bearing loans and borrowings	1,125,169	(100,660)	-	12,575	78,756	1,115,840
lease liabilities (Note 5)	938,723	(274,024)	(13,846)	-	297,733	948,586
Total liabilities from financing activities	2,063,892	(374,684)	(13,846)	12,575	376,489	2,064,426

34.2 CAPITAL RISK MANAGEMENT

For the purpose of the Group's capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. Capital comprises share capital, statutory reserve, reserve arising from acquisition of non-controlling interests and retained earnings, and is measured at AED 3,163,734 thousand as at 31 December 2024 (2023: AED 3,033,398 thousand).

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for its shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

35 BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTERESTS

Aramex (Melbourne)

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

The acquisition has been accounted for using the acquisition method and, accordingly, assets acquired, liabilities assumed, and consideration exchanged were recorded at fair value on the acquisition date.
Aramex (Melbourne) acquisition:
The fair value of the identifiable assets and liabilities of Aramex (Melbourne), as at the date of acquisition were:

	Fair values recognised on acquisition AED '000
Assets	
Intangible assets (customer relationships)	4,199
Intangible assets (reacquired rights)	15,336
Property and equipment	115
Other current assets	1,644
	21,294
Liabilities	
Other current liabilities	3,152
	3,152
Total identifiable net assets of fair value	**18,142**
Purchase consideration	(23,127)
Goodwill arising on acquisition *	4,985

* The goodwill of AED 4,985 thousand and intangible assets of AED 19,535 recognized is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Aramex (Melbourne) with those of the Group.

From the date of acquisition, Aramex (Melbourne) has contributed AED 174,408 thousand of revenue and a profit of AED 1,913 thousand to the net profit before tax from the continuing operations of the Group. If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been AED 184,517 thousand and the profit from continuing operations for the period would have been AED 1,778 thousand.

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

Geelong acquisition:

On 15 July 2024, the Group entered into an acquisition arrangement through an Asset Sale Agreement ("ASA") to acquire Baers Estate Pty Ltd Trading named as "Aramex (Geelong)"; a regional franchise of a courier and freight logistics.

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

35 BUSINESS COMBINATION AND ACQUISITION OF NON-CONTROLLING INTERESTS (CONTINUED)

Geelong acquisition (continued)

The provisional fair value of the identifiable assets and liabilities of Geelong, as at the date of acquisition were:

	Provisional fair values recognised on acquisition AED '000
Assets	
Property and equipment	304
Other current assets	243
	547
Liabilities	
Other current liabilities	109
	109
Total identifiable net assets of fair value	438
Purchase consideration	(4,010)
Goodwill arising on acquisition *	3,572

* The goodwill of AED 3,572 thousand is primarily attributed to the expected synergies and other benefits from combining the assets and activities of Geelong with those of the Group.

From the date of acquisition, Geelong has contributed AED 7,941 thousand of revenue and a profit of AED 375 thousand to the net profit before tax from the continuing operations of the Group. If the acquisition had taken place at the beginning of the year, revenue from continuing operations would have been AED 14,619 thousand and the profit from continuing operations for the period would have been AED 609 thousand.

Transaction costs of AED 11.6 thousand have been expensed and are included in administrative expenses in consolidated statement of profit or loss and are part of operating cash flows in the consolidated statement of cash flows.

36 FINANCIAL INSTRUMENTS BY CATEGORY

	2024 AED'000	*2023 AED'000*
Financial assets at fair value through other comprehensive income		
Equity instruments	**15,303**	15,311
Debt instruments	**2,672**	2,263
	17,975	17,574
Financial assets at amortised cost		
Accounts receivable and other current assets (excluding prepayment, advances to suppliers and withholding tax)	**1,249,104**	1,225,885
Restricted cash, margins and fixed deposits	**6,142**	8,021
Bank balances and cash	**506,588**	567,189
	1,761,834	1,801,095
Financial liabilities at amortised cost		
Bank overdrafts	**4,015**	2,848
Lease liabilities	**936,549**	948,586
Interest-bearing loans and borrowings	**933,175**	1,115,840
Accounts payable, provisions, and current liabilities (excluding deferred revenue)	**1,036,233**	1,018,573
	2,909,972	3,085,847

36 FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

The fair values of the Group's financial assets and financial liabilities carried at amortised cost at the end of reporting period approximate their carrying values. The fair values of the Group's loans and borrowings approximate the carrying amount, as the interest on the borrowings are provided based on the market rates.

Financial instruments include financial assets and financial liabilities.

Financial assets include cash on hand and at banks, accounts receivables, financial assets at fair value through other comprehensive income and some other current assets. Financial liabilities include loans, due to banks, accounts payable, lease liabilities and other current liabilities.

Book values of financial instruments do not materially vary from their fair value.

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

- Level 1 **-** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 **-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 **-** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

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

Assets measured at fair value

	31 December 2024 AED '000	***Level 1 AED '000***	***Level 2 AED '000***	***Level 3 AED '000***
Unquoted equity financial assets				
What 3 Words Ltd	**15,241**	**-**	**-**	**15,241**
Flirtey Tech Pty Ltd.	**62**	**-**	**-**	**62**
Total	**15,303**	**-**	**-**	**15,303**
Unquoted debt financial assets				
Cell captive	**1,570**	**-**	**-**	**1,570**
Shippify Inc	**1,102**	**-**	**-**	**1,102**
Total	**2,672**	**-**	**-**	**2,672**

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

Assets measured at fair value

	31 December 2023 AED '000	*Level 1 AED '000*	*Level 2 AED '000*	*Level 3 AED '000*
Unquoted equity financial assets				
What 3 Words Ltd	15,241	-	-	15,241
Flirtey Tech Pty Ltd.	70	-	-	70
Total	15,311	-	-	15,311
Unquoted debt financial assets				
Cell captive	1,161	-	-	1,161
Shippify Inc	1,102	-	-	1,102
Total	2,263	-	-	2,263

There were no transfers between Level 1 and Level 2 during 2024 and 2023.

37 OWN SHARES HELD BY THE LIQUIDITY PROVIDER

During 2024, the Group engaged a third-party licensed Liquidity Provider on the Dubai Financial Market to facilitate the selling and buying of Aramex's own shares in the market, in accordance with the Market Maker regulations. At 31 December 2024, the Liquidity Provider held 2,767 thousands of the Group's shares on behalf of the Group at par value of AED 1.

The premium or discount recognized on trading in the Aramex's own shares is recorded as "Reserve on trading in own shares". Such reserve, which amounted to AED 4,069 thousand as of 31 December 2024, is classified under equity. Included in the reserve is a net loss of AED 749 thousand realized during the year ended 31 December 2024.

At the inception of the agreement, the Group paid AED 10,000 thousand to the liquidity provider to facilitate the shares trading process, out of which AED 2,929 thousand were outstanding as of 31 December 2024, recorded under other current assets.

The movement in the reserve on trading in own shares account during the year ended 31 December 2024 is as follows:

	Reserve on trading in own shares AED '000
Balance at 1 January 2024	-
Premium recognized	**3,453**
Net trading loss realized for the year	**616**
Balance at 31 December 2024	**4,069**

38 SUBSEQUENT EVENTS

On 10 January 2025, Aramex received a notification from Q Logistics Holding LLC of its intention to submit a voluntary conditional cash offer to acquire up to 100% of the issued and paid-up share capital of Aramex PJSC not already held by Abu Dhabi Ports Company PJSC. The Board has appointed independent financial and legal advisors to support the Group in this process. On 9 February 2025, Aramex received the final offer approved by the Securities and Commodities Authority in the UAE (SCA). The Board is convening on 11 February 2025 to, among other matters, review the final offer and Aramex will make further announcements regarding the Offer including publishing the offeree circular in accordance with the decision of the Chairman of the board of directors of the Securities and Commodities Authority No. (18 /R.M) of 2017 regarding the Rules of Acquisition and Merger of Public Joint Stock Companies.

39 COMPARATIVE FIGURES

Some of the comparative figures in the consolidated financial statements have been reclassified to be consistent with the year ended 31 December 2024 presentation with no effect on profit and equity for the year 2023.