

## **DIRECTORS' REVIEW REPORT FOR THE NINE MONTHS PERIOD ENDED SEPTEMBER 30, 2025**

The Board of Directors of Secure Logistics – Trax Group Limited (“SLG – Trax” or the “Company”) is pleased to present the reviewed condensed interim financial information and reviewed condensed interim financial information for the nine months period ended September 30, 2025.

### **Economic Review**

Pakistan's economy continued to show resilience during the nine months ended September 30, 2025, supported by improved fiscal discipline, external stability, and easing inflationary pressures. During Q3 2025, inflation remained moderate at single digit (YoY) compared to 12.6% the same period in 2024, allowing the State Bank of Pakistan to maintain its policy rate at 11% after a cumulative 1,000 basis point reduction earlier in the year. The current account remained stable owing to steady remittance inflows, strong export performance, and improved foreign exchange reserves, which stood at US\$14.5 billion, providing 2.5 months of import cover. The debt-to-GDP ratio stayed around 69%, reflecting prudent fiscal management. While business confidence and investment sentiment improved further, recent flood-related supply disruptions and rising food prices pose near-term challenges. Overall, Pakistan's macroeconomic outlook remains stable with projected GDP growth of around 3% for FY2025, supported by continued reform momentum under the IMF program.

### **Salient Business Developments During Q3 2025**

In addition to the on-going merger related synergetic integration, during the quarter, the Company undertook numerous additional initiatives. These included:

#### **Award of NBFC License**

During the period the Securities & Exchange Commission of Pakistan (“SECP”) has awarded the Non-Banking Financial Company (“NBFC”) License to LogiServe (Private) Limited (“Logiserve”), a fully owned subsidiary of SLG-Trax. NBFC Operations will be governed by the prescribed regulatory framework.

The License will enable Logiserve to offer digital payment platform involving COD-backed working capital loans, invoice discounting, merchant virtual accounts, and a digital payment gateway. It will directly facilitate SLG-Trax's E-Commerce / Logistics Business Line (“BL”) through:

- Merchant-centric digital payment portals to support collections, reconciliations, and vendor payouts.
- Short-term credit against COD receivables, with repayment via direct deduction from future COD flows.
- Invoice discounting to accelerate receivables for SMEs and logistics vendors.
- Credit to freelancers, resellers, and SMEs who have operational data but lack formal credit histories.

Logiserve's Fintech infrastructure, developed in collaboration with a Technical Partner will ensure seamless integration with E-Commerce / Logistics operations, creating a close-loop credit and payment ecosystem. The NBFC operation is a materially positive development and is expected to contribute substantially to the Group's consolidated bottom-line.

### Acquisition of Finova Technologies (Pvt.) Ltd.

Further, the Company finalized the acquisition of a full suite of IP-backed FinTech software and potential operational control of Finova, a Singapore-based digital payments and smart lending solutions provider. This acquisition complements SLG-Trax's NBFC initiative by integrating advanced modules, including a payment portal, lending management system, and AI-powered credit engine. The transaction is expected to enhance operational efficiency, strengthen the Group's e-commerce profitability through lending spreads, and enable future opportunities to market Finova's technology in other jurisdictions.

Finova is a Singapore based entity involved in developing and providing digital payments and smart lending solutions. Finova technologies enhances efficiency and transparency in supply chains, providing tailored financial solutions that address unique challenges faced by businesses in diverse markets.

### Credit Rating of the company

During the period under review SLG-Trax has been able to successfully maintain its credit ratings from the Pakistan Credit Rating Agency Limited ("PACRA") as follows:

- Long-Term Rating: A+
- Short-Term Rating: A1

The outlook on the assigned ratings remains Stable, reflecting the Company's strong financial profile, prudent capital structure, and sustained business performance following the merger.

### Business Review and Financial Highlights

During the period under review, SLG - Trax continued to pursue its stated integration objectives of improving operational efficiencies, optimizing cost structures and tech related projects discussed above. As a result of these initiatives, SLG - Trax is poised to close FY 2025 on a successful note and consequently lay a strong foundation to achieve full merger potential in FY 2026. SLG - Trax's financial results for nine months' period are summarized below in compliance with section 226 of the Companies Act 2017.

	Nine Months Ended Sept 30	
	2025	2024
	-----Rupees-----	
Revenue	2,480,417,628	1,896,422,951
Profit before income taxes and levy	506,479,922	468,247,890
Levy and income taxes	210,063,140	(78,070,404)
Profit for the period after taxation	716,543,062	390,177,486
Profit attributable to the equity shareholders of the Holding Company	708,852,553	118,782,389
Profit attributable to non-controlling interest	7,690,509	2,332,597
Earnings per share – basic and diluted	2.16	0.43

The Company continues to perform strongly with a YTD (9 months) EPS of 2.16 against projected annual EPS of 2.58 as conveyed during the Investor Presentation in August 2025.



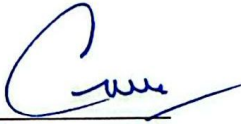
### **Future Outlook**

Pakistan's economic outlook remains closely tied to global trends and domestic political stability. While recent conditions have improved, sustained progress depends on policy continuity. In this environment, SLG - Trax is focused on stable portfolio growth, maintaining asset quality, and strengthening risk management in new business.

### **Acknowledgement**

The Board wishes to place on record its sincere gratitude to the Registrar SECP, Director SECP and his support staff at SECP, bankers, customers, shareholders and its business partners for their continued support and guidance.

On behalf of the Board:



**Gulraiz Afzal Khan**  
Chief Executive Officer



**Pervaiz Afzal Khan**  
Director