

DIRECTORS' REVIEW REPORT FOR THE THREE MONTHS PERIOD ENDED MARCH 31st, 2026

The Board of Directors of Secure Logistics – Trax Group Limited (“**SLG – Trax**” or the “**Company**”) is pleased to present the management financial information for Q1 FY 2026, ending March 31st, 2026.

Economic Review

Following the solid foundation laid in FY 2025, which involved merger-driven synergies and the streamlining of consolidated operations, the Company commenced the new financial year on a positive note. However, as a result of the deterioration in the regional political and security situation since February 28th, the macroeconomic indicators have gradually worsened. During Q1 2026, mainly due to the increase in fuel prices and notwithstanding any subsidies by the Government, inflation rose to 7.30% (YoY) compared to 5.6% during the same period in 2025. Overall, the business sentiment is challenging.

Impact on SLG Trax and Mitigation

Generally, inflationary pressure had an impact on the Company's overall direct costs; however, among the six revenue-generating Business Lines (“**BLs**”) of Secure Logistics–Trax Group Limited (“**SLG-Trax**” or the “**Company**”), the increase in HSD prices has had a direct impact on the E-Commerce (last-mile) and Logistics (long-haul and medium-haul) segments. As part of its fuel price mitigation strategy, the Company has invoked the Fuel Adjustment Factor (“**FAF**”) clauses incorporated in all client contracts. As a result, the overall impact of fuel price increases on SLG-Trax has been marginal.

Salient Business Developments During Q1 2026

During the period, the Company steadily grew its business volume across all BLs, and a better macroeconomic condition during the remaining year will help expedite growth.

Purchase of NBFC Software

During Q1 FY 2026, the Company concluded the commercial negotiations and obtained the requisite approvals to execute the Asset Transfer Agreement for the acquisition of a complete IP suite of FinTech software. This was followed by the submission of an approval application with the Securities & Exchange Commission of Pakistan (“**SECP**”). As such, SLG Trax awaits the completion of the final milestone to formally launch its Digital Lending BL.

Arranging of Digital Lending and Other Funding

Simultaneously, your Company has arranged Phase I Digital Lending capital of Rs125 million. This is over and above the Rs390 million debt capital arranged mainly for vehicles and warehousing equipment-related CAPEX (see below).

Induction of EV Motorcycles and Commercial Vehicles

After successful trial runs, SLG Trax has shortlisted EV motorcycles and last-mile delivery vehicles. The Company will be among the first E-Commerce and Logistics players in the domestic market to induct up to 1,000 EV motorcycles and 100 last-mile commercial vehicles during Q3 and Q4 2026.

Whereas the NBFC operation will provide impetus to the top and bottom lines, the successful induction of EV motorcycles and commercial vehicles will lead to substantial savings in fuel costs and consequent contribution to the bottom line.

Business Review and Financial Highlights

During the period under review, SLG - Trax continued to pursue its stated objectives, as a result of which it is poised to close FY 2026 on a successful note. SLG – Trax's financial results for the three-month period are summarized below in compliance with Section 226 of the Companies Act, 2017.

	Three Months Ended March 2026	
	2026	2025
	-----Rupees in '000'-----	
Revenue	677,095	530,119
Profit before income taxes and levy	102,607	179,154
Levy and income taxes	109,399	(18,934)
Profit for the period after taxation	212,006	160,220
Profit attributable to the equity shareholders of the Holding Company	210,527	158,440
Profit attributable to non-controlling interest	1,479	1,780
Earnings per share – basic and diluted	0.5	0.59

The Company continues to perform steadily, with a YTD (3 months) EPS of Rs0.50 against a projected EPS of Rs0.45 for Q1 2026, as conveyed during the Investor Presentation. The achievement of the projected EPS in Q1 2026, above the projected figure, despite difficult macroeconomic conditions, augurs well for the remaining year.

Future Outlook

Pakistan's economic outlook remains positive; however, it could be impacted either way by the regional political and security situation. In this environment, SLG - Trax will remain focused on mitigating commercial and financial risks as best as it can to achieve the stated results.

Acknowledgement

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

On behalf of the Board:


Gulraiz Afzal Khan
 Chief Executive Officer


Ayaz Abdulla
 Director