DIRECTORS' REVIEW REPORT FOR THE SIX MONTHS PERIOD ENDED JUNE 30th, 2026

The Board of Directors of Secure Logistics – Trax Group Limited ("**SLG – Trax**" or the "**Company**") is pleased to present the six-months reviewed financial information for 1H FY 2026, ending June 30th, 2026.

Economic Review

As a result of the deterioration in the regional political and security situation since February 28th, the macroeconomic indicators deteriorated gradually. During Q1 & Q2 2026, mainly due to the increase in fuel prices, notwithstanding any subsidies by the Government, national inflation index rose by 11.07% (YoY) compared to the same period in 2025. Overall, the business sentiment remained 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 SLG-Trax, the increase in HSD prices impacted the E-Commerce (last-mile) and Logistics (long-haul and medium-haul) segments only. As part of its fuel price mitigation strategy, the Company regularly 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 negligible.

Salient Business Developments During 1H 2026

Following the solid foundation laid in FY 2025, that included execution of the merger-driven synergetic savings and the streamlining of consolidated operations, the Company commenced the new financial year on a positive note. During the period, the Company continued to steadily grew its volume across all BLs. It is evident from the visible Y-o-Y growth of 18% in Revenue and 20% in Net Profit. The Company is also successfully pursuing all identified initiatives that will have a positive Bottom-Line impact. A successful close of these initiatives alongwith a better macroeconomic condition during the remaining year will help achieve the annual profitability targets.

E-Commerce Expansion: Your Company is making sustained efforts to increase its operational reliability and geographic reach within the country. By end of this year, it will be serving 1,637 locations (cities, towns and rural locations) against the current coverage of 1,504 locations.

Expansion in Warehousing BL: The first warehouse in Karachi has been expanded; the ones in Lahore and Islamabad will be completed in October and December respectively. The warehousing BL is on track to become a substantial

NBFC Operation: The digital lending initiative under the NBFC license is gradually gaining momentum. Under this initiative, your Company plans to deploy upto Rs500 million by end 2026, which due to high margins will contribute significantly to the Bottom-Line.

Arranging of Capital: The Company successfully arranged a total of Rs.515 million comprising of Rs.125 million for Phase I digital lending and another Rs.390 million for EV vehicles, Warehouse equipment and Running Finance.

Induction of EV Commercial Vehicles and Motorcycles: The Company is on track to induct upto 100 EV commercial vehicles and 1,000 EVG motorcycles in two phases by the end of year. It will help achieve gross savings of upto Rs.200 million in fuel expenses.

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. In compliance with Section 226 of the Companies Act, 2017, SLG – Trax's financial results for the six-months period are summarized below:

	Six Months Ended June 2026	
	2026	**2025**
	---------------Rupees------------	
Revenue	1,540,850	1,456,858
Profit before income taxes and levy	265,954	434,465
Levy and income taxes	280,514	4,128
Profit for the period after taxation	546,468	438,593
Profit attributable to the equity shareholders of the Holding Company	548,317	434,508
Profit attributable to non-controlling interest	(1,849)	4,085
Earnings per share – basic and diluted	**1.30**	**1.04** (adjusted to full dilution)

The Company achieved a YTD (6 months) EPS of Rs1.30 for the period ending June 2026 against a Y-o-Y corresponding period EPS of Rs.1.04 (adjusted to full dilution). Consequently, the Company is on track to achieve the budgeted financial results in FY 2026.

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

Asad Abdulla
Director