

Directors' Review Report for Q3 FY 2026 Ended September 30th, 2026

The Board of Directors of Secure Logistics – Trax Group Limited (“**SLG Trax**” or the “**Company**”) are pleased to present the 3rd Quarter and nine months review of un-audited accounts along with financial statements for the nine months period ended September 30th, 2026.

Economic Review

The macroeconomic indicators remain under pressure due to the continued adverse domestic and regional political and security environment. The domestic economy has been mainly impacted by the ‘imported inflation’ due to unprecedented fuel prices. During Q3 2026, national inflation index remained above 11% on year-on-year (“YoY”) basis, compared to the same period in 2025. More importantly, the overall business sentiment remained subdued in a challenging environment.

Impact on SLG Trax and Mitigation Strategy

Generally, inflationary pressure had an impact on the Company’s overall direct costs; however, due to structured client contract framework that includes Fuel Adjustment Factors in invoicing, strict expense controls and robust related policies and continued portfolio growth in all Business Lines (“BLs”) at better pricing levels, the Company was able to maintain its profitability margins and achieve overall financial targets.

Salient BL Related Developments

During the period, the Company steadily grew its business volume across all BLs, and has posted good revenue and operating profits during Q3, 2026. The Company is poised for even better growth during the last quarter of the year to meet its annual budgetary results.

Growth in E Commerce BL

The E Commerce BL delivery volume grew by 1.5x during Q3, as compared to Q2 FY2026 through a significant addition of corporate and retail clients. The Company continued to also expand its geographical coverage by establishing additional booking offices and delivery points. As at September 30th, 2026, SLG Trax is serving its clients through 123 Company owned and 69 franchised premises across the country.

Continued Expansion in Warehousing Capacity

Following up on the establishment of an improved 50,000 square feet (“Sq Ft.”) warehousing facility in Karachi during Q2 FY2026, the Company has established a new 35,000 Sq Ft. warehouse in Lahore, over and above the existing 20,000 Sq Ft. facility, thereby enhancing the Lahore based warehousing capacity to 55,000 Sq Ft. A similar facility is scheduled to be set up in Islamabad/Rawalpindi before end of year to complete the stated warehousing objectives for FY2026.

Digital Lending

2026 has been a foundational year for SLGTrax’s digital payments and lending business that is embedded within its E-commerce and Logistics ecosystem. The Company initiated its Pilot Project in early 2025 by deploying PKR 75 million. By September 30th, 2026, based on a four times monthly cycle, SLG Trax has successfully processed over PKR 48 billion in digital payments and disbursed more than PKR 8 billion through 3 million(+) CoD financing transactions. By year-end, the Company will be transiting to the formal launch of its Digital Lending platform by gradually scaling up the deployed capital.

Strategic Value Addition Projects

Induction of EV Motorcycles and Commercial Vehicles

SLG Trax plans to be the first E Commerce and Logistic player to operate a hundred percent EV fleet for its Last Mile deliveries, incorporating both vehicles and motorcycles. It is expected to reduce the operating cost significantly and add up to Rs 200 million annually to Company's operating profit.

The EV project was delayed due to lack of clarity about the import duties status; however, the Company is finally moving forward with this strategic initiative. The first batch of 40-45 EV vehicles for the last mile deliveries is expected to be inducted before end of December 2026. Similarly, the second batch of same number of vehicles is scheduled for induction in January 2027 followed by 1,000 EV motorcycles in two batches.

The procurement of EVs and E-bikes is supported by Sindh Enterprise Development Fund (SEDF) a department of Sindh Government whereby the markup upto Kibor on the funding facilities will be paid by the SEDF.

FinTech Software & Formal Launch of Digital Lending

Building on the foundation, SLG Trax is preparing to launch a proprietary embedded-finance platform integrating an in-house digital wallet, LMS and automated credit engine into its merchant ecosystem. With digital onboarding, real-time shipment-based credit decisions, integrated KYC/AML controls and unified merchant visibility, the platform will support scalable lending, including Working Capital Financing, Earned Wage Access and financing beyond the SLG Trax network, positioning the Group to become a leading technology-driven embedded-finance provider in Pakistan.

Business Review and Financial Highlights

During the period under review, SLG Trax has posted robust profitability that will contribute significantly to achieving the FY 2026 financial results. The Company's financial results for the nine months and three-months period together with comparatives are summarized below in compliance with Section 226 of the Companies Act, 2017.

	Nine months ending Sept 30		Three months ending Sept 30	
	2026	2025	2026	2025
	-----Rupees in million-----			
Revenue	2,656	2,356	1,115	899
Profit before income taxes and levy	617	520	352	90
Levy and income taxes	267	196	(14)	185
Profit for the period after taxation	884	716	338	275
Profit attributable to the equity shareholders of the Holding Company	887	708	339	271
Profit /(Loss) attributable to non-controlling interest	(3)	8	(1)	4
Earnings per share – basic and diluted (PKR per share)	2.10	2.16	0.80	0.65

The EPS of PKR 0.80 for Q3 FY2026 is derived entirely from core business operations, excluding any one-time adjustments. Consequently, the Company's cumulative EPS for the nine months ended September 30,

2026, stands at PKR 2.10 per share, reflecting the sustained growth and improved operational performance of the business.

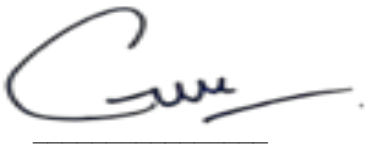
Future Outlook

Following up on the post-merger integration and consolidation phases that extended from April 1st, 2025 to mid-2026, the Company has entered a period of sustained growth. It is evident from the organic growth in E-Commerce, Warehousing and other BLs and an initiation of the Digital Lending initiative. The overall progress will be supplemented by the on-going execution of several strategic value addition projects discussed above.

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