Secure Logistics Group

SecureTrack
LIVE FLEET TRACKING

February 6th, 2025

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Subject: SLGL's Acquisition of Trax Online - Corporate Announcement # 7

Dear Sir,

In accordance with Sections 96 and 131 of the Securities Act, 2015 and Clause 5.6.1 of the Rule Book of the Pakistan Stock Exchange Limited, we hereby convey the following information:

In continuation of the Corporate Announcement # 5 dated October 10th, 2024, issued by Secure Logistics Group Limited ("**SLGL**"), regarding potentially combining the businesses of SLGL and Trax Online (Private) Limited ("**Trax**") (together, the "**Parties**"), SLGL is pleased to announce that its Board of Directors, in its meeting held on Tuesday, February 4th, 2025, has approved the combination of the respective businesses of SLGL and Trax, involving the vesting of Trax's entire issued and paid up share capital into SLGL (i.e. making Trax a wholly owned subsidiary of SLGL), against the issuance of shares of SLGL to the shareholders of Trax (the "**Proposed Arrangement**").

The draft Scheme of Arrangement under Sections 279 to 283 and 285(8) of the Companies Act, 2017, to be entered into between SLGL and Trax (the "**Scheme**") for the purposes of the same, subject to finalization thereof, obtaining all necessary shareholders', creditors' and regulatory approvals, and the sanction of the Scheme by the Islamabad High Court, along with fulfilment of related legal formalities, and further subject to any changes or modifications thereto as may be required or prescribed, or such amendments as may be considered necessary, without materially affecting the substance thereof.

It is intimated that to-date, the Parties have held substantial discussions to successfully conclude the proposed commercial, legal and the operational aspects of the Proposed Arrangement, including the transaction structure, valuation, swap ratio, share issuance structure, Scheme, future business and operations strategy and a comprehensive integration plan. The companies shall take necessary seps to file the Scheme before the Islamabad High Court with the aim to pursue the speedy sanction of the Scheme, subject to obtaining all necessary approvals and fulfilment of legal formalities. The managements of the respective Parties will simultaneously continue to firm up the integration plans during the interim period in order to swiftly and efficiently effectuate the Proposed Arrangement upon the sanction of the Scheme.

In terms of the Scheme, and subject to the sanction thereof, Trax will become a wholly owned subsidiary of SLGL, and shall be responsible for warehousing and e-commerce BLs, inclusive of all respective sub-segments. SLGL and its group companies (including Trax) will be in a position to potentially become a leading 4 PL player, involved in *inter alia* the complimentary BLs of long-haul and medium-haul transportation, e-commerce (last mile) and warehousing. Furthermore, the group entities are expected to have a pro-forma owned commercial fleet of more than 300 commercial vehicles of different types, an offices network of seven main offices, 82 branch offices and 34 sales points, 4 ware houses along with a combined employee strength of approximately 3,000 excluding security guards. In addition, it will be the only logistic entity of its size with a substantial in-house IOT business and security services capability, both supporting the BLs falling under logistics.

Due to a range of expected synergies, the Proposed Arrangement potentially offers an unique opportunity to maximise the value for SLG's and Trax's respective shareholders. The strategic and tactical level synergies is expected to create a 4 PL player with the potential to be a domestic market leader and an established capacity to expand regionally.

In summary, it is intended that SLGL will, *inter-alia*, offer:

- Company owned fleet
- Diversified cash flow stream through distinct, yet synergetic, business lines of logistics, asset tracking and security services
- Experienced team in all business lines mentioned above
- Country-wide foot print of all business lines
- TIR License – Regional Play

Similarly, Trax will, *inter-alia*, contribute through:

- Two complimentary business lines i.e. last-mile and warehousing, along with sub-segments, with an established technology platform that can be expanded quickly to include Fin Tech and B2B market app for third party fleet deployment (SLG logistic initiative)
- Country-wide reach of the e-commerce business
- An experienced operational and commercial team across the country

In view of all above mentioned robust business case, during the period from January to December (FY 2025), the entities (as reorganized pursuant to the Proposed Arrangement) expect the bottom-line to increase by 2X, thus aimining to achieve an increase of 20-30% in the EPS adjusted for new shares. Immediately upon conclusion of the Proposed Arrangement, SLGL plans to hold an Analyst Presentation encompassing all critical details including the 5-years forecast. The meeting will be held at PSX premises in Karachi.

The Scheme will be circulated to the PSX and the shareholders in due course subject to the directions / order of the Honourable Islamabad High Court, and in accordance with the applicable laws.

Sincerely,

Faisal Atta
Company Secretary

Secure Logistics Group Limited
SLG
Islamabad

Cc:
Director / HOD
Surveillance, Supervision and Enforcement Department
Securities and Exchange Commission of Pakistan
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