

ALLCARGO LOGISTICS FZE

FINANCIAL STATEMENTS

DECEMBER 31, 2025

ALLCARGO LOGISTICS FZE
Dubai - United Arab Emirates

Financial statements for the year ended December 31, 2025

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Ref: MOORE-AUD-AR/2026-MAR-018**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ALLCARGO LOGISTICS FZE****Report on the Audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of **Allcargo Logistics FZE** (the "Establishment"), which comprise the statement of financial position as at December 31, 2025, the related statements of comprehensive income, cash flows, and changes in equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at December 31, 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards Accounting standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code") together with the other ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards, for their compliance with the applicable provisions of the Jebel Ali Free Zone Companies Implementing Regulations 2016 ("Implementing Regulations"), and of the UAE Federal Decree-Law No. (32) of 2021 on Commercial Companies (the "Federal Law"), as may be applicable to Free Zone Establishments, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Establishment's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Establishment or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Establishment's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER OF
ALLCARGO LOGISTICS FZE (continued)****Auditor's Responsibilities for the Financial Statements (continued)**

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
- obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment's internal controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Establishment to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the provisions of the Implementing Regulations and the Federal Law, we confirm that we have obtained all the information and explanations necessary for our audit and proper books of account have been maintained by the Establishment. Further, we are not aware of any contravention during the year of the provisions of the Implementing Regulations or the Federal Law as may be applicable to Free Zone Establishments, which might have materially affected the activities or the financial position of the Establishment as at December 31, 2025, or the results of its operations for the year then ended.

MOORE MKM
Chartered Accountants L.L.C



Vijaya Kumar Subramonian
Partner
Registration Number 5732
Dubai, United Arab Emirates



March 26, 2026

ALLCARGO LOGISTICS FZE
Dubai - United Arab Emirates

Statement of financial position
As at December 31, 2025

	Note	2025 AED	2024 AED
ASSETS			
Current assets			
Cash and cash equivalents	7	276,072	807,784
Trade receivables and contract assets	8	1,445,937	1,076,587
Other receivables	9	562,694	546,814
		<u>2,284,703</u>	<u>2,431,185</u>
Non-current assets			
Right-of-use asset	10.3	4,862,586	5,215,496
Property and equipment	11.3	9,252,888	10,135,387
		<u>14,115,474</u>	<u>15,350,883</u>
TOTAL ASSETS		<u>16,400,177</u>	<u>17,782,068</u>
LIABILITIES AND EQUITY			
Current liabilities			
Accounts and other payables	12	2,691,150	3,905,336
Lease liability	14	287,488	281,809
Loan from related party	13.3	11,352	-
		<u>2,989,990</u>	<u>4,187,145</u>
Non-current liabilities			
Lease liability	14	5,145,815	5,433,303
Loan from related party	13.3	2,430,163	2,430,163
Employees' end-of-service benefits	15	161,519	139,916
		<u>7,737,497</u>	<u>8,003,382</u>
Total liabilities		<u>10,727,487</u>	<u>12,190,527</u>
Equity			
Share capital	2	2,000,000	2,000,000
Retained earnings		3,672,690	3,591,541
Total equity		<u>5,672,690</u>	<u>5,591,541</u>
TOTAL LIABILITIES AND EQUITY		<u>16,400,177</u>	<u>17,782,068</u>

The accompanying notes from 1 to 25 form an integral part of these financial statements.

The report of the independent auditor is set out on pages 1 and 2.

The financial statements were authorised for issue on March 26, 2026 by:

Mr. Anu George Mavunil Kunnathil Varughese
Manager



ALLCARGO LOGISTICS FZE
Dubai - United Arab Emirates

Statement of comprehensive income
For the year ended December 31, 2025

	Note	2025 AED	2024 AED
Revenue	16	6,765,827	4,823,285
Direct costs	17	(4,837,526)	(4,167,806)
Gross profit		1,928,301	655,479
Other income	18	10,028	66,492
Reversal for expected credit losses on trade receivables	8.5	4,375	64,336
General and administrative expenses	19	(1,514,998)	(1,291,494)
Finance costs	20	(346,557)	(118,038)
Profit/(Loss) for the year before taxation		81,149	(623,225)
Taxation	21	-	-
Profit/(Loss) for the year after taxation		81,149	(623,225)
Other comprehensive income		-	-
Total comprehensive loss for the year		81,149	(623,225)

The accompanying notes from 1 to 25 form an integral part of these financial statements.

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ALLCARGO LOGISTICS FZE
Dubai - United Arab Emirates

Statement of cash flows
For the year ended December 31, 2025

		2025	2024
	Note	AED	AED
Cash flows from operating activities			
Profit/(Loss) for the year before taxation		81,149	(623,225)
Adjustments for:			
(Reversal) of for expected credit losses on trade receivables	8.5	(4,375)	(64,336)
Depreciation of property and equipment	11.4	910,284	1,169,387
Provision for employees' end-of-service benefits	15	41,393	61,332
Depreciation of right-of-use asset	17	352,910	352,910
Liabilities no longer payable written back	18	3,293	66,492
Finance costs	20	346,557	118,038
Operating profit before working capital changes		1,731,211	1,080,598
Changes in:			
- Trade receivables and contract assets		(364,975)	276,333
- Other receivables		(15,880)	31,319
- Accounts and other payables		(1,234,484)	(745,157)
Cash flows generated from operations		115,872	643,093
Employees' end-of-service benefits paid	15	(2,785)	(21,658)
Net cash generated from operating activities		113,087	621,435
Cash flows from investing activities			
Acquisition of property and equipment	11.1	(27,785)	(1,358)
Net cash (used in) investing activities		(27,785)	(1,358)
Cash flows from financing activities			
Payment of lease liability	14.1	(394,004)	(387,342)
Movement in loan from related party, net	13.3	11,352	-
Interest settled through netting arrangements	13.4	(234,362)	-
Net cash (used in) financing activities		(617,014)	(387,342)
Net (decrease)/increase in cash and cash equivalents		(531,712)	232,735
Cash and cash equivalents at the beginning of the year		807,784	575,049
Cash and cash equivalents at the end of the year	7	276,072	807,784
Non-cash transactions:			
Interest settled through netting arrangements (note 13.4)		234,362	-
Transfer of employees' end-of-service balance to related party (note 13.4 and 15)		17,005	10,216

The accompanying notes from 1 to 25 form an integral part of these financial statements.

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ALLCARGO LOGISTICS FZE
Dubai - United Arab Emirates

Statement of changes in equity
For the year ended December 31, 2025

	Share capital AED	Retained earnings AED	Total equity AED
As at January 1, 2024	2,000,000	4,214,766	6,214,766
Total comprehensive (loss) for the year	-	(623,225)	(623,225)
As at December 31, 2024	2,000,000	3,591,541	5,591,541
Total comprehensive income for the year	-	81,149	81,149
As at December 31, 2025	2,000,000	3,672,690	5,672,690

The accompanying notes from 1 to 25 form an integral part of these financial statements.

The report of the independent auditor is set out on pages 1 and 2.



1 LEGAL STATUS AND BUSINESS ACTIVITIES

- a) Allcargo Logistics FZE (the "Establishment") was incorporated as a Free Zone Establishment with limited liability on October 20, 2019 with Jebel Ali Free Zone Authority ("JAFZA"), Dubai, United Arab Emirates ("UAE") and operates under Logistics License No. 181080. The current license is valid until September 24, 2026.
- b) The licensed and principal activities of the Establishment are ship chandlers' services, customs brokerage, cargo loading and unloading, sea shipping lines agents, sea cargo services, general warehousing, containers loading & unloading services, and cargo packaging.
- c) The Registered Office of the Establishment is Plot No. S20202, Jebel Ali, Dubai, U.A.E.
- d) The management of the Establishment is vested with Mr. Anu George Mavunil Kunnathil Varughese (Indian National), the Manager.

2 SHARE CAPITAL

The authorised, issued and paid-up capital of the Establishment is AED 2,000,000, divided into 2,000 shares of AED 1,000 each, and is solely held by ECU Hold N.V., Belgium (the "Parent Company").

The Ultimate Parent Company is Allcargo Logistics Ltd, India.

The Establishment is part of the ECU Group of Companies, and the Ultimate Beneficial Owner is Mr. Shashi Kiran Shetty, an Indian National.

3 MANAGEMENT'S ASSUMPTION RELATING TO GOING CONCERN

For the year ended December 31, 2025, the Establishment's current liabilities exceeded current assets by AED 705,287 (2024: AED 1,755,960), albeit current liabilities included a total amount of AED 1,456,663 (2024: AED 2,694,785) which was owed to related parties of the Establishment, which will only be paid when the Establishment has sufficient funds. However, these financial statements have been prepared on the going concern assumption, as the shareholder has resolved to continue with the operations of the Establishment and has agreed to provide financial support to the Establishment to discharge its liabilities and other obligations as and when they fall due in the foreseeable future.

4 BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards - Accounting Standards ("IFRS Accounting Standards") issued by the International Accounting Standards Board ("IASB"), Interpretations issued by the IFRS Interpretations Committee (the "Committee") and the requirements of the Jebel Ali Free Zone Companies Implementing Regulations 2016 ("Implementing Regulations") and the UAE Federal Decree-Law No. (32) of 2021 on Commercial Companies (the "Federal Law") as may be applicable to Free Zone Establishments.

b) Basis for measurement

These financial statements have been prepared in accordance with the historical cost convention and accruals basis of accounting.

c) Functional and reporting currency

The functional and reporting currency of the Establishment is United Arab Emirates Dirhams ("AED"), as the majority of the transactions are carried out in that currency. However, the Establishment also transacts in United States Dollars ("USD").

4 BASIS OF PREPARATION (continued)

d) Changes in accounting policies

The accounting policies adopted are consistent with those used in the previous financial year, except for the following new standards, improvements, interpretations and amendments to IFRS Accounting Standards that are mandatorily effective for accounting years of the Establishment beginning on or after January 1, 2025:

New Standards, Improvements, Interpretations and Amendments issued

- Amendment to IAS 21 Lack of Exchangeability (The Effects of Changes in Foreign Exchange Rates)

The adoption of these new standards, improvements, interpretations, and amendments did not have any material impact on the Establishment's financial statements for the year ended December 31, 2025.

New Standards, Improvements, Interpretations and Amendments issued but not yet effective

The following new accounting standards, improvements, interpretations, and amendments had been issued at the reporting date, but are not mandatory until accounting periods commencing on or after the dates shown and hence have not been early adopted by the Establishment in preparing the financial statements for the year ended December 31, 2025.

- IFRS 18 Presentation and Disclosures in Financial Statements (January 1, 2027)
- IFRS 19 Subsidiaries without Public Accountability: Disclosures (January 1, 2027)
- Annual Improvements to IFRS Accounting Standards Volume 11 (January 1, 2026)
- Amendments to IFRS 9 and IFRS 7 Amendments to the Classification and Measurement of Financial Instruments (January 1, 2026)
- Amendments to IFRS 9 and IFRS 7 Contracts Referencing Nature-dependent Electricity (January 1, 2026)
- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (January 1, 2027)
- Amendments to IAS 21 Translation to a Hyperinflationary Presentation Currency (January 1, 2027)

All of the above standards, improvements, interpretations and amendments will be adopted by the Establishment to the extent applicable from their effective dates. The adoption of these standards, improvements, interpretations, and amendments is not expected to have a material impact on the financial statements of the Establishment in the period of their initial application.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Financial instruments

Financial assets and financial liabilities are recognised when the Establishment becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable). Financial assets are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

a) Financial instruments (continued)

The above classification is determined by both:

- i. the Establishment's business model for managing the financial asset; and
- ii. the contractual cash flow characteristics of the financial asset.

All expenses relating to financial instruments are recognised in the statement of comprehensive income and are presented in finance costs, except for allowance for expected credit losses ("ECL") of receivables which is presented separately on the statement of comprehensive income.

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets and collect their contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest rate method.

The Establishment's cash at bank, trade receivables and contract assets, and other receivables (excluding prepaid expenses, and staff loans) fall into this category of financial instruments.

Financial liabilities at amortised cost

All financial liabilities are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate method. The Establishment's accounts and other payables (excluding VAT payable, net), loan from related party, and lease liability fall into this category of financial instruments.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and balances with bank.

c) Trade receivables and contract assets

Trade receivables are stated at original invoice amount less an allowance for expected credit losses (ECL) as per IFRS 9. Receivables are written off when there is no possibility of recovery.

The Establishment makes use of a simplified approach in accounting for trade receivables and records the loss allowance as lifetime ECL. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating the provision, the Establishment takes into account historical experience, external indicators and forward-looking information to calculate the ECL using a provision matrix.

The Establishment assesses impairment of trade receivable on a collective basis as they possess shared credit risk characteristics and they have been grouped based on the days past due.

d) Other receivables

Other receivables consist of prepaid expenses, deposits and staff loans. These are carried out at amounts expected to be received whether through cash or goods less provision as per the ECL model.

e) Related parties' balances and transactions

The Establishment, in the ordinary course of business, enters into transactions with companies and entities that fall within the definition of a related party as contained in IFRS Accounting Standards. Related parties comprise the Parent company, companies and entities under common or joint ownership or common management and control, their partners and key management personnel.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

e) Related parties' balances and transactions (continued)

Related parties' balances are assessed for non-collectability as per the ECL model.

Loan from related party and due from/to related parties are classified as current assets/liabilities unless there is a formal agreement in place to defer collection/repayment for a period in excess of 12 months, in which case the amount repayable after 12 months as at the reporting date is classified as non-current assets/liabilities.

f) Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise ECL - the ECL model. Instruments within the scope of the requirements include financial assets measured at amortised cost, such as trade receivable measured under IFRS 15. The Establishment considers a broad range of information when assessing credit risk and measuring ECL, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1");
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2"); and
- financial instruments that have objective evidence of impairment at the reporting date ("Stage 3").

"12-month expected ECL" are recognised for the first category while "lifetime ECL" are recognised for the second category. Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Notwithstanding the above provisions, the Establishment applies the IFRS 9 simplified approach in accounting for trade receivable and contract assets, as these items do not contain a significant financing component in accordance with IFRS 15 and records the loss allowance at an amount equal to lifetime ECL.

g) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is reported in the statement of financial position, if the Establishment has a legally enforceable right to set off the recognised amounts, and the Establishment either intends to settle on a net basis or realise the asset and settle the liability simultaneously.

h) Leases and right-of-use assets

The Establishment assesses whether a contract is or contains a lease at inception of the contract, that is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Establishment recognises liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. Lease payments on short-term leases and leases of low value assets are recognised as an expense on a straight-line basis over the lease term.

Right-of-use assets

Right-of-use asset is measured at cost, less accumulated depreciation and impairment losses, if any. The cost of the right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Depreciation of right-of-use asset is calculated on a straight-line basis to allocate the cost over the lease term as follows:

Asset	Lease period
Land & building	20 years

License No.
625564
Dubai - U.A.E.



5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

h) Leases and right-of-use assets (continued)

Lease liabilities:

The lease liability is initially measured at the present value of the lease payments to be made over the lease term and that are not paid at the commencement date, discounted by using the Establishment's incremental borrowing rate as the interest rate implicit in the lease is not readily determinable.

After the initial measurement date, the amount of the lease liability is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of the lease liability is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments), or a change in the assessment of an option to purchase the underlying asset.

Variable rents that depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the events of those payments occur.

Right-of-use asset and lease liabilities are presented as separate line items in the statement of financial position.

i) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition and bringing of the asset to its working condition. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Establishment and the cost of the item can be measured reliably. When a part is replaced, and the new part capitalised, the carrying amount of the replaced part is derecognised. All other repairs and maintenance costs are recognised in the statement of comprehensive income during the financial period in which they are incurred.

Depreciation of assets is calculated using the straight-line method to allocate their cost less estimated residual value over their estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Building and improvements	20 and 5
Warehouse equipment	4
Office furniture and equipment	3-4
Vehicles	4

Depreciation is charged from the date an asset is available for use up to the date the asset is disposed of.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or following disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

The estimated useful lives and residual values are reviewed at each year end, with the effect of any change in estimates accounted for on a prospective basis.

j) Impairment of non-financial assets

The Establishment assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Establishment makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the cash-generating unit to which the asset belongs is used.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

k) Accounts and other payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether claimed by the supplier or not. Other payables consist of accrued expenses, VAT payable, net and others.

l) Provisions

Provisions are recognised when the Establishment has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

m) Employees' end-of-service benefits

Provision is made for the end-of-service benefits of employees in accordance with the UAE Labour Law for their periods of service up to the reporting date. The provision for the employees' end-of-service benefits is calculated annually based on their basic remuneration.

n) Contingent liabilities

A contingent liability is disclosed when the Establishment has a possible obligation as a result of past events, the existence of which will be confirmed only by the occurrence or nonoccurrence of one or more uncertain future events, not wholly within the control of the Establishment; or when the Establishment has a present legal or constructive obligation, that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

o) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Establishment and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, excluding taxes or duties.

To determine whether to recognise revenue, the Establishment follows a 5-step model as per IFRS 15:

- i. Identifying the contract with a customer;
- ii. Identifying the performance obligations;
- iii. Determining the transaction price;
- iv. Allocating the transaction price to the performance obligations; and
- v. Recognising revenue when performance obligation(s) are satisfied.

The Establishment assesses each of its contracts with customers and determines if performance obligations are satisfied at a point in time or over a period of time in order to determine the appropriate method of recognising revenue.

The Establishment recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as current liabilities in these financial statements. Similarly, if the Establishment satisfies a performance obligation before it receives the consideration, the Establishment recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

The Establishment assesses its revenue arrangements against specific criteria in order to determine if it is acting as a principal or agent. The Establishment has concluded that it is acting as a principal in all of its revenue arrangements.

The Establishment generates revenue through the following:

- Revenue from containers loading and unloading services, and cargo loading and unloading services is recognised on final execution of orders of customers and agents - point in time.
- Revenue from renting of warehouse space for storing cargo until it is delivered - over a period of time.

5 SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

p) Expenses

Direct costs include all costs directly attributable to the generation of revenue and includes freight and transportation expenses depreciation of property and equipment excluding office furniture and equipment, salaries and benefits of revenue generating employees, depreciation of right-of-use asset, and other direct costs and related activities. All other expenses are classified as general and administrative expenses or finance costs, except for an allowance for expected credit losses for trade receivables which is presented separately in the statement of comprehensive income.

q) Foreign currency transactions and translations

Foreign currency transactions are translated into AED using the exchange rate prevailing on the date of transaction. Monetary assets and liabilities, denominated in foreign currencies, are translated into AED using the exchange rates prevailing on the reporting date. Gains and losses from foreign exchange transactions are taken to the statement of comprehensive income.

r) Current vs non-current classification

The Establishment presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when:

- it is expected to be realised or intended to be sold or consumed in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is expected to be realised within twelve months after the reporting date; or
- it is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting date; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

t) Taxation

Income taxes have been provided for in the financial statement in accordance with legislation enacted or substantively enacted by the end of the reporting year. The income tax charge comprises current tax and deferred tax and is recognised in profit or loss for the year, except if it is recognised in other comprehensive income or directly in equity because it relates to transactions that are also recognised, in the same or a different period, in other comprehensive income or directly in equity.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax asset and liability is offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of asset and liability. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax asset and liability is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the profitability of future taxable profits improves.

t) Taxation (continued)

Deferred tax asset and liability is offset when there is a legally enforceable right to offset current tax asset against current tax liability and when the deferred tax asset and liability relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The Establishment reviews the useful life of the right-of-use asset on a regular basis. Any change in estimate may affect the carrying amount of the right-of-use asset with a corresponding effect on the related depreciation charge.

6 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS (continued)

v) Interest rate used for discounting the lease liability.

The interest rate used for discounting the lease liability has been determined at 2% per annum. This rate is based on the Establishment's estimate of its incremental borrowing rate, taking account of the rate at which Group Companies lend funds to each other, as the Establishment does not have any third party or external borrowings.

vi) Satisfaction of performance obligations under IFRS 15 - Revenue from contracts with customers

The Establishment recognises revenue when the performance obligations are satisfied following the 5-step model as per IFRS 15 - either at a point in time or over a period of time.

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7	CASH AND CASH EQUIVALENTS	2025	2024
		AED	AED
	Cash in hand	442	9,743
	Cash at bank	275,630	798,041
		<u>276,072</u>	<u>807,784</u>
8	TRADE RECEIVABLES AND CONTRACT ASSETS	2025	2024
		AED	AED
	Trade receivables from third parties	883,258	956,140
	Trade receivables from related parties (note 13.1)	2,649	-
	Trade receivables - gross (note 8.1 and 8.3)	885,907	956,140
	Contract assets (note 8.2)	560,627	125,419
	Less: allowance for expected credit losses on trade receivables (note 8.5)	(597)	(4,972)
		<u>1,445,937</u>	<u>1,076,587</u>

8.1 Trade receivables are non-interest bearing and generally on 90 days credit terms, after which date accounts receivable are considered to be past due. It is not the practice of the Establishment to obtain collateral over trade receivables and therefore all trade receivables are unsecured.

8.2 Contact assets are accrued revenue for which services have been provided but invoices are yet to be issued.

8.3 As at December 31, the ageing analysis of trade receivables was as follows:

		Not past due			
		0-90 days	91 - 120 days	121 - 180 days	>180 days
	Total	AED	AED	AED	AED
2025	885,907	879,554	6,353	-	-
2024	956,140	923,175	24,383	293	8,289

8.4 ECL allowance for trade receivables

The Establishment applies the IFRS 9 simplified model of recognising lifetime ECL for all trade receivables as these items do not have a significant financing component.

In measuring the ECL, the trade receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Receivables are written-off when there is no reasonable expectation of recovery.

8.5 The movement in allowance for expected credit losses for trade receivables is as follows:

	2025	2024
	AED	AED
Balance as at the beginning of the year	4,972	69,308
(Reversal) during the year	(4,375)	(64,336)
Balance as at the end of the year	<u>597</u>	<u>4,972</u>



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9	OTHER RECEIVABLES	2025	2024
		AED	AED
	Prepaid expenses	350,595	517,680
	Deposits	203,599	25,500
	Staff loans	8,500	3,634
		<u>562,694</u>	<u>546,814</u>

There is no impact of IFRS 9 on other receivables.

10	RIGHT-OF-USE ASSET	Land and building
10.1	Cost	AED
	As at January 1, 2024, December 31, 2024 and December 31, 2025	<u>7,038,864</u>
10.2	Accumulated depreciation	
	As at January 1, 2024	1,470,458
	Charge for the year (note 10.5 and 17)	<u>352,910</u>
	As at December 31, 2024	1,823,368
	Charge for the year (note 10.5 and 17)	<u>352,910</u>
	As at December 31, 2025	<u>2,176,278</u>
10.3	Net book value	
	As at December 31, 2025	<u>4,862,586</u>
	As at December 31, 2024	<u>5,215,496</u>
10.4	The Establishment entered into a lease agreement, dated September 25, 2019, with JAFZA for the lease of land and building for a period of 20 years which can be terminated upon fulfilment of certain terms and conditions.	

10.5 The following are the amounts recognised in the statement of comprehensive income:

	2025	2024
	AED	AED
Depreciation of right-of-use asset (note 17)	352,910	352,910
Interest on lease liability (notes 14.1 and 20)	112,195	118,038
Total amount recognised in the statement of comprehensive income	<u>465,105</u>	<u>470,948</u>



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11 PROPERTY AND EQUIPMENT

	Building and improvements AED	Warehouse equipment AED	Office furniture and equipment AED	Vehicles AED	Total AED
11.1 Cost					
As at January 1, 2024	15,730,163	329,871	584,583	308,124	16,952,741
Additions	-	-	1,358	-	1,358
As at December 31, 2024	15,730,163	329,871	585,941	308,124	16,954,099
Additions	-	-	27,785	-	27,785
As at December 31, 2025	15,730,163	329,871	613,726	308,124	16,981,884
11.2 Accumulated depreciation					
As at January 1, 2023	4,678,824	293,696	463,056	213,749	5,649,325
Charge for the year (note 11.4)	1,050,602	29,854	61,570	27,361	1,169,387
As at December 31, 2024	5,729,426	323,550	524,626	241,110	6,818,712
Charge for the year (note 11.4)	822,687	4,867	55,370	27,360	910,284
As at December 31, 2025	6,552,113	328,417	579,996	268,470	7,728,996
11.3 Net book value					
As at December 31, 2025	9,178,050	1,454	33,730	39,654	9,252,888
As at December 31, 2024	10,000,737	6,321	61,315	67,014	10,135,387
11.4 Depreciation was allocated as follows:				2025	2024
				AED	AED
Direct costs (note 17)				827,554	1,080,456
General and administrative expenses (note 19)				82,730	88,931
				<u>910,284</u>	<u>1,169,387</u>
12 ACCOUNTS AND OTHER PAYABLES				2025	2024
				AED	AED
Accounts payables - related parties (note 13.2)				1,456,663	2,694,785
Accounts payables - third parties				391,012	696,040
VAT payable (net)				433,867	348,472
Accrued expenses and other payables				409,608	166,039
				<u>2,691,150</u>	<u>3,905,336</u>

13 RELATED PARTY BALANCES AND TRANSACTIONS

As at the reporting date, balances with related parties were as follows:

13.1 Due from related parties	Relationship	2025	2024
		AED	AED
Due from related parties included in accounts receivable (note 8)	Common control	<u>2,649</u>	-



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13 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

13.2 Due to related parties		2025	2024
		AED	AED
Due to related parties included in accounts and other payables (note 12)	Common control	<u>1,456,663</u>	<u>2,694,785</u>
13.3 Loan from related party			
ECU Hold N.V., (Jebel Ali Branch), U.A.E	Shareholder	<u>2,441,515</u>	<u>2,430,163</u>
Current portion		11,352	-
Non-current portion		<u>2,430,163</u>	<u>2,430,163</u>
		<u>2,441,515</u>	<u>2,430,163</u>

The loan from the fellow subsidiary is unsecured and is repayable on demand, with no fixed repayment schedule and carry interest of 5.5% per annum (2024: 5.5% per annum).

13.4 Transactions with related parties were as follows:

	2025	2024
	AED	AED
Revenue (note 16)	<u>668,016</u>	<u>233,609</u>
Transfer of employees' end-of-service cost to related party (note 15)	<u>17,005</u>	<u>10,216</u>
Management fees (note 19)	<u>676,453</u>	<u>477,441</u>
Interest on loan from related party (note 20)	<u>234,362</u>	<u>-</u>

14 LEASE LIABILITY

	2025	2024
	AED	AED
Current portion	287,488	281,809
Non-current portion (note 22)	<u>5,145,815</u>	<u>5,433,303</u>
	<u>5,433,303</u>	<u>5,715,112</u>

The lease agreement expires on September 25, 2039.

14.1 The movement in lease liability was as follows:

Balance as at the beginning of the year	5,715,112	5,984,416
Accretion of interest (note 20)	112,195	118,038
Payments	<u>(394,004)</u>	<u>(387,342)</u>
Balance as at the end of the year	<u>5,433,303</u>	<u>5,715,112</u>

14.2 The maturity analysis of the lease liability as at December 31 was as follows:

	Gross liability	(Deferred interest)	Net liability
	AED	AED	AED
2025			
Within 1 year	394,004	(106,516)	287,488
From 1 to 5 years	1,664,666	(366,120)	1,298,546
After 5 years	<u>4,191,215</u>	<u>(343,946)</u>	<u>3,847,269</u>
	<u>6,249,885</u>	<u>(816,582)</u>	<u>5,433,303</u>



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14	LEASE LIABILITY (continued)	Gross liability	(Deferred interest)	Net liability
	2024	AED	AED	AED
	Within 1 year	394,004	(112,195)	281,809
	From 1 to 5 years	1,605,565	(391,039)	1,214,526
	After 5 years	4,644,320	(425,543)	4,218,777
		<u>6,643,889</u>	<u>(928,777)</u>	<u>5,715,112</u>
14.3	The interest rate used for discounting the lease liability has been determined at 2% per annum. This rate is based on the rate at which Group Companies lend funds to each other, as the Establishment does not have any third-party or external borrowings.			
15	EMPLOYEES' END-OF-SERVICE BENEFITS	2025	2024	
		AED	AED	
	Balance at the beginning of the year	139,916	110,458	
	Provided for the year	41,393	61,332	
	Payments during the year	(2,785)	(21,658)	
	Transfer of employees' end of service cost to related party (note 13.4)	(17,005)	(10,216)	
	Balance at the end of the year	<u>161,519</u>	<u>139,916</u>	
16	REVENUE	2025	2024	
		AED	AED	
	At a point in time:			
	Revenue from third parties	6,097,811	4,589,676	
	Revenue from related parties (note 13.4)	668,016	233,609	
		<u>6,765,827</u>	<u>4,823,285</u>	
	Geographical segments:			
	Within UAE	6,759,754	4,811,318	
	Outside UAE	6,073	11,967	
		<u>6,765,827</u>	<u>4,823,285</u>	
17	DIRECT COSTS	2025	2024	
		AED	AED	
	Freight and transportation expenses	2,139,113	1,220,255	
	Salaries and benefits	1,517,949	1,514,185	
	Depreciation of property and equipment (note 11.4)	827,554	1,080,456	
	Depreciation of right-of-use asset (note 10.2)	352,910	352,910	
		<u>4,837,526</u>	<u>4,167,806</u>	
18	OTHER INCOME	2025	2024	
		AED	AED	
	Interest on loan in cash pool account	4,890	-	
	Liability no longer payable/written back	3,293	66,492	
	Foreign exchange gain, net	1,845	-	
		<u>10,028</u>	<u>66,492</u>	



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19	GENERAL AND ADMINISTRATIVE EXPENSES	2025	2024
		AED	AED
	Management fees (note 13.4)	676,453	477,441
	Professional and other fees	114,221	101,380
	Repairs and maintenance	152,241	178,332
	Utilities	142,642	146,582
	Rent (short-term leases)	138,109	116,540
	Insurance	91,974	80,041
	Depreciation of property and equipment (note 11.4)	82,730	88,931
	Communications	28,682	28,416
	Others	87,946	73,831
		<u>1,514,998</u>	<u>1,291,494</u>
20	FINANCE COSTS	2025	2024
		AED	AED
	Interest on loan from related party (note 13.4)	234,362	-
	Interest on lease liability (note 14.1)	112,195	118,038
		<u>346,557</u>	<u>118,038</u>

21 CORPORATE TAX

The United Arab Emirates introduced a federal corporate tax effective 1 June 2023, under Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses. The standard corporate tax rate is 9% on taxable income exceeding AED 375,000.

The Corporate Tax Law also establishes a Free Zone Corporate Tax Regime, which grants a 0% corporate tax rate on specified "Qualifying Income" earned by eligible entities operating within UAE Free Zones. To benefit from this regime, an Establishment must satisfy the conditions set out in Article 18 of the Corporate Tax Law, further clarified in Cabinet Decision No. 100 of 2023 and Ministerial Decision No. 265 of 2023. Entities that meet these requirements are classified as Qualifying Free Zone Persons ("QFZPs").

The Establishment is incorporated in a Designated Free Zone. Based on management's assessment, the Establishment's principal activities qualifies as a "Qualifying Activities" under the relevant legislation. Furthermore, the Establishment meets all conditions required to be treated as a Qualifying Free Zone Person in accordance with the UAE Corporate Tax framework. Accordingly, the Establishment has not recognized any current or deferred corporate tax in these financial statements.

22 COMMITMENTS AND CONTINGENCIES

22.1 Capital and operating expenditure commitments

The Establishment did not have any capital or operating expenditure commitments as at the reporting date. The rent agreement is renewable on an annual basis.

22.2 Contingent liabilities

The Establishment did not have any contingent liabilities as at the reporting date.



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23 RISK MANAGEMENT**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Establishment was not exposed to interest rate risk as it had no interest-bearing financial assets or liabilities as of the reporting date, except for the lease liability, which is recorded at a fixed interest rate.

Credit risk

Credit risk is limited to the carrying values of financial assets in the statement of financial position, and is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Establishment was exposed to credit risk on the following:

	2025	2024
	AED	AED
Cash at bank (note 7)	275,630	798,041
Trade receivables and contract assets (note 8)	1,445,937	1,076,587
Other receivables (excluding prepaid expenses, and staff loans) (note 9)	203,599	25,500
	<u>1,925,166</u>	<u>1,900,128</u>

The Establishment seeks to limit its credit risk with respect to banks by dealing with reputable banks only.

Credit risks related to trade receivables (third parties) are managed subject to the Establishment's policies, procedures and controls relating to customer credit risk management. Credit limits are established for all customers based on internal rating criteria, and the credit quality of customers is assessed by management.

The Establishment mainly deals with related parties with good credit history. Trade receivables from related parties are transactions with minimal credit risk.

Other receivables pertain to transactions with low risk parties.

Liquidity risk

Liquidity risk is the risk that the Establishment will not be able to meet its financial obligations as they fall due. The Establishment limits its liquidity risk managing its cash flows. The Establishment's terms of contract require amounts to be paid within 90 days from the invoice date. Accounts payable are normally settled within 30 days from the date of purchase.

The table below summarises the maturities of the Establishment's financial liabilities as at December 31:

	Less than 1 year AED	More than 1 year AED	Total AED
2025			
Accounts and other payables (excluding VAT payable, net) (note 12)	2,257,283	-	2,257,283
Loan from related party (note 13.3)	11,352	2,430,163	2,441,515
Lease liability - gross (note 14.2)	394,004	5,855,881	6,249,885
	<u>2,662,639</u>	<u>8,286,044</u>	<u>10,948,683</u>



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23 RISK MANAGEMENT (continued)

Liquidity risk (continued)	Less than 1 year AED	More than 1 year AED	Total AED
2024			
Accounts and other payables (excluding VAT payable, net) (note 12)	3,556,864	-	3,556,864
Loan from related party (note 13.3)	-	2,430,163	2,430,163
Lease liability - gross (note 14.2)	394,004	6,249,885	6,643,889
	<u>3,950,868</u>	<u>8,680,048</u>	<u>12,630,916</u>

Foreign currency risk

Foreign currency risk is the risk that fair value or cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Foreign currency risk mainly arises from future contractual transactions of receivables and payables that exist due to transactions in foreign currencies.

Most of the Establishment's transactions are carried out in AED. Exposures to currency exchange rates arise from the Establishment's transfers of funds from/to related parties, which are primarily denominated in AED and USD. Since USD is pegged against AED, there is no risk involved with regard to the USD.

24 FAIR VALUES

The management assesses the fair values of all the Establishment's financial assets and financial liabilities at each reporting date.

The fair values of the financial assets and financial liabilities are considered at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The fair value of the current financial assets and current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair values of non-current lease liability are determined by using the discounted cash flow method using a discount rate that reflects the establishment's borrowing rate and do not differ from their carrying values.

25 EVENTS AFTER THE REPORTING DATE

There have been no material events occurring after the reporting date that require adjustment to, or disclosure in, the financial statements.

