

ECU LINE - ABU DHABI - LLC

FINANCIAL STATEMENTS

DECEMBER 31, 2025

ECU LINE - ABU DHABI - LLC
Abu Dhabi - United Arab Emirates

Financial statements for the year ended December 31, 2025

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MANAGER'S REPORT

The Manager presents his report and the financial statements of ECU Line - Abu Dhabi - LLC (the "Company") for the year ended December 31, 2025.

PRINCIPAL ACTIVITIES OF THE COMPANY

The Company is licensed to and engages in shipment containers loading and offloading, goods air and marine shipment, customs clearance and goods land transportation service.

FINANCIAL REVIEW

The table below summarises the financial results:

	2025 AED	2024 AED
Revenues	14,614,433	16,446,893
Gross profit	2,121,214	2,508,042
Gross profit margin	14.51%	15.25%
(Loss)/profit before tax	(119,107)	391,088
Total comprehensive (loss)/income	(119,107)	389,634

ADOPTION OF FINANCIAL STATEMENTS

The Company's financial statements for the year ended December 31, 2025 will be adopted in the Annual General Meeting of the Company.

EVENTS AFTER THE REPORTING DATE

In our opinion, no transaction, or event of a material and unusual nature, favourable or unfavourable, has arisen in the interval between the end of the year and the date of this report, that is likely to affect substantially the results of the operations or the financial position of the Company.

STATEMENT OF MANAGER'S RESPONSIBILITIES

The financial statements for the year under review have been prepared in conformity with International Financial Reporting Standards - Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB"), and in compliance with the provision of the U.A.E Federal Decree-Law No (32) of 2021 on Commercial Companies (the "Federal Law").

The Manager confirms that sufficient care has been taken for the maintenance of proper and adequate accounting records that disclose with reasonable accuracy at any time, the financial position of the Company and enables him to ensure that the financial statements comply with the requirements of the applicable statute. The Manager also confirm that appropriate accounting policies have been selected and applied consistently to ensure that the financial statements reflect fairly the form and substance of the transactions carried out during the year under review and reasonably present the Company's financial position and results of its operations

These financial statements were approved and authorised for issue on 22 July, 2026 by



Mr. Amjad Shaikh
Finance Manager



Ref: MOORE-AUD-AR/2026-JUL-061

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ECU LINE - ABU DHABI - LLC**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **ECU Line - Abu Dhabi LLC** (the "Company"), 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 Company 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 Company 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 in the United Arab Emirates ("U.A.E"), 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 audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the information in the Manager's Report set out on page 1. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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, and for their compliance with the applicable provisions of the U.A.E Federal Decree-Law No. (32) of 2021 on Commercial Companies (the "Federal Law"), 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Management is responsible for overseeing the Company's financial reporting process.



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ECU LINE - ABU DHABI - LLC (continued)

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.

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 Company'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 Company'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 Company 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 Federal Law we report that:

1. we have obtained all the information and explanations necessary for the purpose of our audit;
2. the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Federal Law and the Memorandum of Association ("MOA") of the Company;
3. the Company has maintained proper books of account;
4. the financial information included in the Manager's Report is consistent with the books of account of the Company;
5. the Company has not purchased or invested in any shares or stocks during the financial year ended December 31, 2025;
6. note 10 to the financial statements discloses material related party balances and transactions; and



**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ECU LINE - ABU DHABI (LLC) (continued)**

Report on Other Legal and Regulatory Requirements (continued)

7. based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended December 31, 2025 any of the applicable provisions of the Federal Law, or of its MOA, which would materially affect its activities or its financial position as at December 31, 2025, or the results of its operations for the year then ended.

MOORE MKM

Chartered Accountants LLC

A. Vijay Kumar
Vijay Kumar Subramonian

Partner

Registration No. 5732

Dubai, United Arab Emirates



July 22, 2026

ECU LINE - ABU DHABI - LLC
Abu Dhabi - United Arab Emirates

Statement of financial position
As at December 31, 2025

		2025	2024
	Note	AED	AED
ASSETS			
Current assets			
Cash and cash equivalents	6	396,074	484,433
Accounts receivable	7	2,789,954	5,877,564
Other receivables	8	750,050	1,622,972
Due from related parties	10.1	2,576,518	-
		<u>6,512,596</u>	<u>7,984,969</u>
Non-current assets			
Property and equipment	9.3	9,642	21,568
TOTAL ASSETS		<u>6,522,238</u>	<u>8,006,537</u>
LIABILITIES AND EQUITY			
Current liabilities			
Due to related parties	10.3	-	4,818,180
Loan from parent	10.4	4,989,011	-
Accounts payable	11	296,150	379,527
Other payables	12	445,677	1,928,170
Income tax payable	13	-	1,454
		<u>5,730,838</u>	<u>7,127,331</u>
Non-current liabilities			
Employees' end-of-service benefits	14	295,873	264,572
Total liabilities		<u>6,026,711</u>	<u>7,391,903</u>
Equity			
Share capital	2	150,000	150,000
Statutory reserve		75,000	75,000
Retained earnings		270,527	389,634
Total equity		<u>495,527</u>	<u>614,634</u>
TOTAL LIABILITIES AND EQUITY		<u>6,522,238</u>	<u>8,006,537</u>

The accompanying notes from 1 to 22 form an integral part of these financial statements.

The independent auditor's report is set out on pages 2 to 4.

The financial statements were authorised for issue on 22 July, 2026 by:


Mr. Amjad Shaikh
Finance Manager



ECU LINE - ABU DHABI - LLC
Abu Dhabi - United Arab Emirates

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

	Note	2025 AED	2024 AED
Revenues	15	14,614,433	16,446,893
Direct costs	16	(12,493,219)	(13,938,851)
Gross profit		2,121,214	2,508,042
Other income	17	11,542	-
Allowance for expected credit losses on accounts receivable	7.4	(102,972)	(169,849)
Finance cost		(198,511)	-
General and administrative expenses	18	(1,950,380)	(1,947,105)
(Loss)/profit before tax		(119,107)	391,088
Income tax expense	13	-	(1,454)
(Loss)/profit after tax		(119,107)	389,634
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(119,107)	389,634

The accompanying notes from 1 to 22 form an integral part of these financial statements.

The independent auditor's report is set out on pages 2 to 4.



ECU LINE - ABU DHABI - LLC

Abu Dhabi - United Arab Emirates

Statement of cash flows

For the year ended December 31, 2025

	Note	2025 AED	2024 AED
Cash flows from operating activities			
(Loss)/profit before tax		(119,107)	391,088
Adjustments for:			
Interest expense on loan from Parent		198,511	-
Allowance for expected credit losses on accounts receivable	7.4	102,972	169,849
Interest income on cash pool arrangements	17	(9,162)	-
Provision for employees' end-of-service benefits	14	49,902	63,300
Depreciation of property and equipment	9.2	11,926	11,431
Operating profit before working capital changes		235,042	635,668
Decrease/(increase) in accounts receivable		2,984,638	(3,672,074)
Decrease/(increase) in other receivable		872,922	(794,214)
Movement in related party balances, net		(1,893,451)	2,988,825
(Decrease)/increase in accounts payable		(83,377)	22,179
(Decrease)/increase in other payable		(1,482,493)	1,316,228
Cash (used in)/generated from operations		633,281	496,612
Employees' end-of-service benefits paid	14	(18,601)	(47,265)
Interest received on cash pool arrangements	17	9,162	-
Income tax paid	13.2	(1,454)	-
Net cash (used in)/generated from operating activities		622,388	449,347
Cash flows from investing activities			
Cash pool arrangements	10.2	(710,747)	-
Acquisition of property and equipment	9.1	-	(5,212)
Net cash (used in) investing activities		(710,747)	(5,212)
Cash flows from financing activities			
Dividend paid		-	(111,576)
Net cash generated from/(used in) financing activities		-	(111,576)
Net (decrease)/increase in cash and cash equivalents		(88,359)	332,559
Cash and cash equivalents at the beginning of the year		484,433	151,874
Cash and cash equivalents at the end of the year	6	396,074	484,433
Non-cash transactions:			
Loan from parent company		4,989,011	-

The accompanying notes from 1 to 22 form an integral part of these financial statements.

The independent auditor's report is set out on pages 2 to 4.



ECU LINE - ABU DHABI - LLC
Abu Dhabi - United Arab Emirates

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

	Share capital AED	Statutory reserve AED	Retained earnings AED	Total equity AED
As at January 1, 2024	150,000	75,000	111,576	336,576
Dividend (note 10.8)	-	-	(111,576)	(111,576)
Total comprehensive income for the year	-	-	389,634	389,634
As at December 31, 2024	150,000	75,000	389,634	614,634
Total comprehensive income for the year	-	-	(119,107)	(119,107)
As at December 31, 2025	150,000	75,000	270,527	495,527

The accompanying notes from 1 to 22 form an integral part of these financial statements.

The independent auditor's report is set out on pages 2 to 4.



1. LEGAL STATUS AND BUSINESS ACTIVITIES

- a) ECU Line - Abu Dhabi - LLC (the "Company") is a Limited Liability Company incorporated on September 23, 2001 under Commercial License No. CN-1041189 issued by the Department of Economic Development, Abu Dhabi, United Arab Emirates ("U.A.E.").
- b) The Company is licensed to and engages in shipment containers loading and offloading, goods air and marine shipment, customs clearance and goods land transportation service.
- c) The Registered Office of the Company is P.O. Box 7158, Abu Dhabi, U.A.E.
- d) The control and management of the Company is vested with Mr. Rahul Rai (India National).

2. SHARE CAPITAL

The authorised, issued and paid-up capital of the Company is AED 150,000, divided into 100 shares of AED 1,500 each, and is held between:

Name of the Shareholders	Country of Incorporation	No. of shares	Amount in AED	%
ECU Hold N.V.	Belgium	99	148,500	99
Antwerp Freight Station N V	Belgium	1	1,500	1
Total		100	150,000	100

The Parent Company is ECU Hold N.V. (a company incorporated in Belgium) and the Ultimate Parent Company is Allcargo Global Logistics Ltd (a company incorporated in India).

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

3. 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 applicable provisions of the UAE Federal Decree-Law No. (32) of 2021 on Commercial Companies (the "Federal Law").

b) Accounting convention

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 Company is U.A.E. Dirham ("AED") as most of the transactions are effected in that currency. In addition, the Company also transacts in United States Dollars ("USD"), and Euros ("EUR").

3. 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 Company 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 Company'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 Company 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 Company 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 Company in the period of their initial application.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognized 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.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

a) Financial instruments (continued)

Financial Assets

Except for financial assets 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, other than those designated and effective as hedging instruments, are classified into the following categories:

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

The above classification is determined by both:

- I. the Company's business model for managing the financial asset; and
- II. the contractual cash flow characteristics of the financial asset.

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 at fair value, these are measured at amortised cost using the effective interest rate method.

The Company's cash and cash equivalents, accounts receivable and other receivables (except deferred charges, VAT recoverable, net, prepaid expenses and accrued income) and due from related parties 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 Company's due to related parties, accounts payable, other payables (except deferred revenue) and loan from parent fall into this category of financial instruments.

b) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and balances with banks.

c) Accounts receivable

Accounts receivable are stated at original invoice amount less an expected credit loss allowance ("ECL") as per IFRS 9. Accounts receivable are written off when there is no possibility of recovery.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

c) Accounts receivable (continued)

The Company makes use of a simplified approach in accounting for accounts receivable and records the loss allowance as lifetime expected credit losses. 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 Company takes account of its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of accounts 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 deposits, deferred charges, prepaid expenses, accrued income, VAT recoverable, net and staff loan. These are carried at amounts expected to be received whether through cash or services less provision for any uncollectible amounts as per the expected credit loss model.

e) Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognise expected credit losses - the expected credit loss ("ECL") model. The Company considers a broad range of information when assessing credit risk and measuring expected credit losses, 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 assets that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1");
- financial assets that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2"); and
- financial assets that have objective evidence of impairment at the reporting date ("Stage 3").

"12-month expected credit losses" are recognised for the first category while "lifetime expected credit losses" are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

f) 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 Company has a legally enforceable right to set off the recognised amounts, and the Company either intends to settle on a net basis or realise the asset and settle the liability simultaneously.

g) 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 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 Company and the cost of the item can be measured reliably.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

g) Property and equipment (continued)

When a part of an asset is replaced and the cost of the replacement asset is 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 year in which they are incurred.

Depreciation of assets is calculated using the straight-line method to write off the cost less estimated residual value, if any, over the estimated useful lives as follows:

<u>Assets</u>	<u>Years</u>
Vehicles	4
Office equipment	3-4

Depreciation is charged from the date an asset is available for use up to the date the asset is disposed of. Depreciation of property and equipment is charged to general and administrative expenses.

An item of property and equipment and any significant part initially recognised 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 useful lives and depreciation method are reviewed periodically to ensure that the period and method of depreciation are consistent with the pattern of economic benefits expected to flow to the Company through the use of items of property and equipment, with the effect of any changes in estimate accounted for on a prospective basis.

h) Impairment of non-financial assets

The Company 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 Company 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.

i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

i) Fair value measurement (continued)

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

j) Short-term leases and leases of low value

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered of low value. Leases payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

k) Related party balances and transactions

The Company, 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, ultimate parent company, shareholders, companies and entities under common or joint ownership or common management and control, and key management personnel.

Related party balances are assessed for recoverability as per the ECL model.

Amounts due from/to related parties and loan from shareholder 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 collectible/repayable after 12 months as at the reporting date is classified as non-current assets/liabilities.

l) Accounts payable

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether claimed by the supplier or not.

m) Other payables

Other payables consist of accrued expenses - import and export, other accrued expenses, deferred revenue and others.

Deferred revenue pertains to payments received in advance for services which have not yet been performed at the reporting date.

Accrued expenses-import and export are the cost of goods or services received or incurred during a period for which the suppliers' invoices have not been received as at the reporting date.

n) Provisions

Provisions are recognised when the Company 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.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

o) 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 recognized 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.

Unrecognized deferred tax assets and liability is reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used. Deferred tax is measured at the tax rates enacted or substantively enacted at the end of the reporting period, which are expected to apply to the period when the temporary differences will reverse, or the tax loss carry forwards will be utilised.

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.

p) Employees' end-of-service benefits

Provision is made for end-of-service benefits of employees in accordance with the U.A.E. 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 current basic remuneration.

q) Statutory reserve

As per the provisions of the Federal Law, 5% (previously 10%) of the net profit per annum of the Company is required to be transferred to a statutory reserve, until such reserve equals 50% of the paid-up share capital of the Company. Having attained this limit, transfers have ceased. This reserve is not available for distribution to the Shareholders.

r) Contingent liabilities

A contingent liability is disclosed when the Company 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 Company; or when the Company 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.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

s) Current versus non-current classification

The Company 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 realized or intended to be sold or consumed in the normal operating cycle.
- held primarily for the purpose of trading.
- expected to be realised within twelve months after the reporting date, or
- 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 settlement of the liability for at least twelve months after the reporting date.

All other liabilities are classified as non-current.

t) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company 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.

Revenue is recognised at a point in time as and when the Company satisfies performance obligations by providing the promised services to its customers.

The Company generates revenue from shipment, customs clearance, and loading and offloading services, which are recognised on execution of orders of customers and agents.

The Company 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 Company satisfies a performance obligation before it receives the consideration, the Company 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.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continued)

t) Revenue recognition (continued)

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

u) Expenses

Direct costs include all costs directly attributable to the generation of revenue including freight costs, handling fees, customs duties and other related overheads. All other expenses are classified as general and administrative expenses, except for an allowance for expected credit losses of accounts receivable which is presented separately in the statement of comprehensive income.

Management fees are paid to a related party for multiple services being received towards budgeting and forecasting, financial research, and other management related services, as determined at the Group level.

v) 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.

5. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historic experience, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

i) Allowance for expected credit losses of financial assets

An allowance against accounts receivable is recognised as per IFRS 9 considering the pattern of receipts from, and the future financial outlook of, the concerned customers. In measuring the expected credit losses, the accounts receivable has been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the credit period and the days past due. The percentage for the expected credit losses is reviewed by the management on a regular basis.

Assessment of impairment of other receivables and cash at bank is made in line with IFRS 9. This assessment is reviewed by management on a regular basis. The Company deals with reputable banks to limit its credit risk with respect to cash at bank. Other receivables carry minimal credit risk.

ii) Satisfaction of performance obligations under IFRS 15 - Revenue from Contracts with Customers

The Company recognises revenue at a point in time when the performance obligations are satisfied following the 5-step process as per IFRS 15.

6	CASH AND CASH EQUIVALENTS	2025	2024
		AED	AED
	Cash in hand	10,000	10,000
	Cash at banks	386,074	474,433
		<u>396,074</u>	<u>484,433</u>
7	ACCOUNTS RECEIVABLE	2025	2024
		AED	AED
	Accounts receivable - third parties	3,021,030	6,031,962
	Accounts receivable - related parties (note 10.5)	85,766	68,267
	Accounts receivable - gross (notes 7.1 and 7.2)	<u>3,106,796</u>	<u>6,100,229</u>
	Less: allowance for expected credit losses on accounts receivable	<u>(316,842)</u>	<u>(222,665)</u>
	Accounts receivable, net	<u>2,789,954</u>	<u>5,877,564</u>

7.1 The Company allows a credit period of 90 days, after which date the accounts receivable are considered to be past due. It is not the practice of the Company to obtain collateral over accounts receivable and therefore all accounts receivable are unsecured.

7.2 As at the reporting date, the ageing analysis of accounts receivable was as follows:

		Not past due		Past due	
	Total	0-90 days	91-180 days	181-365 days	>365 days
	AED	AED	AED	AED	AED
2025	<u>3,106,796</u>	<u>1,684,991</u>	<u>1,035,046</u>	<u>345,537</u>	<u>41,222</u>
2024	<u>6,100,229</u>	<u>4,185,946</u>	<u>1,756,354</u>	<u>136,861</u>	<u>21,068</u>

7.3 Expected credit losses on trade receivables

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all accounts receivable as these items do not have a significant financing component.

In measuring the expected credit losses, the accounts receivable have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the credit period and the days past due.

Accounts receivable are written off (i.e. derecognised) when there is no reasonable expectation of recovery. Failure to make payments within the credit period and failure to engage with the Company on alternative payment arrangements amongst others are considered indicators of no reasonable expectation of recovery.

7.4 The movement in expected credit loss allowance on accounts receivable was as follows:

	2025	2024
	AED	AED
Balance as at the beginning of the year	222,665	52,816
Provided for the year	102,972	169,849
Receivables written-off	<u>(8,795)</u>	<u>-</u>
Balance as at the end of the year	<u>316,842</u>	<u>222,665</u>

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8	OTHER RECEIVABLES	2025	2024
		AED	AED
	Deposits (note 8.1)	358,704	358,704
	Deferred charges	233,479	911,381
	Prepaid expenses	99,446	61,992
	Accrued income	42,293	245,249
	VAT recoverable, net	8,577	45,646
	Staff loan	7,551	-
		<u>750,050</u>	<u>1,622,972</u>

8.1 Deposits include a customs deposit of AED 247,000 (2024: AED 247,000) issued in favour of Abu Dhabi Customs Authority (note 18.2) and a bank guarantee of AED 100,000 (2024: AED 100,000) in favour of Abu Dhabi Customs Authority.

8.2 There is no expected impact on account of IFRS 9 on other receivables.

9 PROPERTY AND EQUIPMENT

	Vehicles	Office equipment	Total
	AED	AED	AED
9.1 Cost			
As at January 1, 2024	85,360	120,925	206,285
Additions	-	5,212	5,212
As at December 31, 2024 and December 31, 2025	<u>85,360</u>	<u>126,137</u>	<u>211,497</u>
9.2 Accumulated depreciation			
As at January 1, 2024	85,360	93,138	178,498
Charge for the year (note 18)	-	11,431	11,431
As at December 31, 2024	<u>85,360</u>	<u>104,569</u>	<u>189,929</u>
Charge for the year (note 18)	-	11,926	11,926
As at December 31, 2025	<u>85,360</u>	<u>116,495</u>	<u>201,855</u>
9.3 Net book values			
As at December 31, 2025	-	9,642	9,642
As at December 31, 2024	-	21,568	21,568

10 RELATED PARTY BALANCES AND TRANSACTIONS

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

10.1 Due from related parties		2025	2024
	Relationship	AED	AED
ECU Hold N.V., Belgium (note 10.2)	Parent Company	2,420,830	-
ECU Line Middle East (L.L.C)	Fellow Subsidiary	155,688	-
		<u>2,576,518</u>	<u>-</u>



10 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

10.2 Out of the total balance due from ECU Hold N.V., Belgium, AED 710,747 relates to a cash pooling arrangement entered into on 25 February 2025. Under this arrangement, balances maintained with the parent company earn interest at fixed rates of 2% per annum on AED-denominated balances and 4% per annum on USD-denominated balances. During the year, the Company recognised interest income of AED 9.162 (Note 17) in the statement of comprehensive income.

10.3 Due to related parties		2025	2024
	Relationship	AED	AED
ECU Hold N.V., Belgium	Parent Company	-	4,815,456
ECU Line Middle East (L.L.C)	Fellow Subsidiary	-	2,724
		<u>-</u>	<u>4,818,180</u>

10.4 Loan from Parent		2025	2024
	Relationship	AED	AED
ECU Hold N.V., Belgium	Parent Company	4,989,011	-

The Company has received a loan from its parent, ECU Hold N.V., Belgium, amounting to USD 1,300,000, under an agreement dated 1 April 2025.

The loan is for short-term funding purposes, carries an interest rate of 5.5% per annum, and repayment terms are to be mutually agreed based on business performance. The loan is unsecured and subject to standard terms and conditions

10.5 Other balances with related parties as at the reporting date were as follows:

Accounts receivable (note 7)	85,766	68,267
Loan from Parent	4,989,011	-
Other receivables	7,127	447,770
Accounts payable (note 11)	108,958	217,143
Other payables	126,876	478,114

10.6 There are no repayment terms, interest or security for the related party balances.

10.7 Transactions with related parties (excluding funds transfer) were as follows:

Revenue (note 15)	441,290	600,011
Direct costs (note 16)	3,124,952	4,081,365
Management fees (note 18)	291,852	288,536
Interest income on cash pool arrangements (note 17)	9,162	-
Interest expense on loan from Parent	198,511	-

10.8 During the prior year, the Company declared and paid a dividend of AED 111,576 to its immediate parent company, Ecuhold NV. No dividends were declared or paid during the current year.

11 ACCOUNTS PAYABLE	2025	2024
	AED	AED
Accounts payable - third parties	187,192	162,384
Accounts payable - related parties (note 10.5)	108,958	217,143
	<u>296,150</u>	<u>379,527</u>

12 OTHER PAYABLES	2025	2024
	AED	AED
Accrued expenses - import and export	161,189	1,186,542
Other accrued expenses	121,657	218,353
Deferred revenue	39,945	294,998
Others	122,886	228,277
	<u>445,677</u>	<u>1,928,170</u>
13 CORPORATE TAX		
13.1 Income tax expense		
The major components of the income tax expense are:	2025	2024
	AED	AED
Current income expense:		
Current income tax expense	-	1,454
Deferred tax:		
Relating to the origination and reversal of temporary differences	-	-
	<u>-</u>	<u>1,454</u>
13.2 Provision for income tax		
Movement in provision for income tax is as follows:	2025	2024
	AED	AED
At January 1, 2025	1,454	-
Provision for the year	-	1,454
Paid during the year	(1,454)	-
At December 31, 2025	<u>-</u>	<u>1,454</u>
13.3 Reconciliation of tax expense		
Reconciliation of the tax expense and the accounting profit for the year ended December 31, 2025 is as follows:	2025	2024
	AED	AED
Accounting (loss)/profit before corporate tax	(119,107)	391,088
Add: Non-deductible expenditure	-	71
	<u>(119,107)</u>	<u>391,159</u>
Tax on taxable profit upto AED 375,000	-	-
Tax on taxable profit in excess of AED 375,000 @9%	-	1,454
At the effective current corporate income tax rate (2024: 0.37%)	<u>-</u>	<u>1,454</u>
14 EMPLOYEES' END-OF-SERVICE BENEFITS	2025	2024
	AED	AED
Balance at the beginning of the year	264,572	248,537
Provided for the year	49,902	63,300
Paid during the year	(18,601)	(47,265)
Balance at the end of the year	<u>295,873</u>	<u>264,572</u>

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15	REVENUE	2025	2024
	Point in time	AED	AED
	Revenue - third parties	14,173,143	15,846,882
	Revenue - related parties (note 10.7)	441,290	600,011
		<u>14,614,433</u>	<u>16,446,893</u>

15.1 All the revenues are generated within UAE

16	DIRECT COSTS	2025	2024
		AED	AED
	Direct costs - third parties	9,368,267	9,857,486
	Direct costs - related parties (note 10.7)	3,124,952	4,081,365
		<u>12,493,219</u>	<u>13,938,851</u>

17	OTHER INCOME	2025	2024
		AED	AED
	Interest income on cash pool arrangements (note 10.7)	9,162	-
	Other income	2,380	-
		<u>11,542</u>	<u>-</u>

18	GENERAL AND ADMINISTRATIVE EXPENSES	2025	2024
		AED	AED
	Salaries and benefits	1,267,918	1,173,001
	Management fees (note 10.7)	291,852	288,536
	Professional and other fees	101,950	232,426
	Insurance	77,966	45,020
	Rent - short-term	71,507	52,800
	Communications	37,242	36,854
	Bank charges	14,217	50,995
	Travelling and conveyance	10,598	18,247
	Depreciation of property and equipment (note 9.2)	11,926	11,431
	Other expenses	65,204	37,795
		<u>1,950,380</u>	<u>1,947,105</u>

19 COMMITMENTS AND CONTINGENCIES

19.1 Capital and operating expenditure commitments

The Company had no capital or operating commitments as at the reporting date. Rent is renewed on an annual basis.

19.2 Contingent liabilities

The Company had the following contingent liabilities as at the reporting date:

	2025	2024
	AED	AED
Bank guarantee in favour of Abu Dhabi Customs Authority (note 8.1)	100,000	100,000
Customs deposit (note 8.1)	247,000	247,000
	<u>347,000</u>	<u>347,000</u>



20 RISK MANAGEMENT

20.1 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 Company has no exposure to interest rate risk, as its interest-bearing financial assets and liabilities are subject to fixed interest rates. Accordingly, changes in market interest rates do not affect the Company's interest cash flows.

20.2 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 Company was exposed to credit risk on the following balances.

	2025	2024
	AED	AED
Cash at bank (note 6)	386,074	474,433
Accounts receivable, net (note 7)	2,789,954	5,877,564
Other receivables (excluding deferred charges, prepaid expenses, VAT recoverable, net, and accrued income) (note 8)	366,255	358,704
	<u>3,542,283</u>	<u>6,710,701</u>

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

Credit risks related to accounts receivables are managed subject to the Company'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 rating and credit quality is used to determine the expected credit losses for customer receivables in line with IFRS 9. In measuring the expected credit losses, the accounts receivable have been assessed on a collective basis as they possess shared credit risk characteristics.

Other receivables mainly consist of deposits that relate to customs and have no credit risk as they are with government entities. These deposits are fully refundable.

20.3 Liquidity risk

Liquidity risk is the risk that the Company may not have sufficient liquid funds to meet its liabilities as they fall due. Prudent liquidity risk management requires maintaining sufficient cash and the availability of funding to meet obligations when due. The Company limits its liquidity risk by maintaining adequate reserves and ensuring funds from a related party are available as required for managing cash flows.

20 RISK MANAGEMENT (continued)

20.3 Liquidity risk (continued)

The table summarises the maturities of the Company's financial liabilities at December 31:

	Less than 12 months	
	2025	2024
	AED	AED
Due to related parties (note 10.3)	-	4,818,180
Accounts payable (note 11)	296,150	379,527
Other payables (excluding deferred revenue) (note 12)	405,732	1,633,172
Loan from parent (note 10.4)	4,989,011	-
	<u>701,882</u>	<u>6,830,879</u>

20.4 Foreign currency risk

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

Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in USD. Since the AED is pegged to the USD, there is no currency risk with regard to the USD.

21 FAIR VALUES

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

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

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

22 EVENTS AFTER THE REPORTING DATE

Subsequent to the reporting period ended 31 December 2025, an escalation of geopolitical tensions has been observed in certain regions of the Middle East. While government and regulatory authorities have publicly affirmed the resilience of the economy and the continuity of business operations, the potential broader implications warrant careful consideration.

In accordance with IAS 10 "Events After the Reporting Period," these developments are classified as non-adjusting events, as they arose after the reporting date and do not relate to conditions that existed at 31 December 2025. Consequently, no adjustments have been made to the financial statements as of that date.

The Company has undertaken a comprehensive assessment of these events to identify potential implications for its operations, financial position and performance. Based on the information currently available at the date of authorization of these financial statements, it is not yet practicable to reliably quantify the full financial impact on future periods. The Company continues to monitor these developments closely and will implement appropriate mitigation strategies as necessary.

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