QUARTERLY REPORT

FOR THE QUARTER ENDED

SEPTEMBER 30, 2025

LSE FINANCE

CONTENTS

Vision Statement

Our mission is to serve as a trusted partner to our clients and counterparts, by efficiently, providing financial services that enable growth and economic progress.

Mission Statement

To build an institution which contributes, to strengthening local businesses, creating and sustaining jobs, improving clients' living standards and enhance, shareholders' value.

Company Information

Board of Directors

1.	Mr. Habib Ur Rehman Gillani	Non-Executive Director/Chairman
2.	Casual Vacancy	Chief Executive Officer
3.	Mr. Aftab Ahmad	Non-Executive Director
4.	Ms. Aasiya Riaz	Non-Executive Director
5.	Mr. Amjad Ali Khan Khattak	Independent Director
6.	Mr. Amir Zia	Non-Executive Director
7.	Ms. Huma Ejaz	Independent Director
8.	Mehr Muhammad Iqbal	Non-Executive Director
9.	Mr. Sani e Mehmood Khan	Independent Director
10.	Mr. Sohail Ahmed Awan	Independent Director
11.	Syed Jawwad Ahmad	Non-Executive Director
12.	Syed Muhammad Talib Rizvi	Non-Executive Director

Audit Committee

1.	Ms. Huma Ejaz	Chairperson
2.	Mr. Amir Zia	Member
3.	Mehr Muhammad Iqbal	Member

Human Resource and Remuneration Committee

1.	Mr. Sohail Ahmed Awan	Chairman
2.	Mr. Aftab Ahmad	Member
3.	Syed Jawwad Ahmad	Member

Company Secretary	Mr. Sajjad Hyder
Chief Financial Officer	Mr. Sarmad Raheel
Auditors	Kreston Hyder Bhimji & Co. Chartered Accountant
Legal Advisor	Sayeed, Hafeez & Mirza Advocates
Registrar	F.D. Share Registrar Services (Pvt.) Limited Suit 1705 – A. 17th Floor, Saima Trade Tower,I.I. Chundrigar Road, Karachi.
Bankers	MCB Bank Limited Bank Al Habib Limited Habib Bank Limited Bank Al Falah Limited
Registered Office	LSE Plaza, 19-Kashmir Egerton Road, Lahore.

Director's Report

The Board of Directors of the Company is pleased to present the Un-audited Condensed Interim Financial Statements for the first quarter ended September 30, 2025.

Operational and Financial Performance Review

The unaudited financial results for the quarter ended September 30, 2025, reflect the impact of the prevailing business climate, however, the Company remains committed to operating prudently and adapting to the evolving market dynamics.

For the quarter ended September 30, 2025, the Company recorded a Loss after tax of Rs. 16.484 million. This contrasts with a Profit after tax of Rs. 8.361 million reported in the corresponding first quarter of the previous year. Consequently, the basic and diluted loss per share for the quarter under review was Rs. (0.46), compared to an earnings per share of Rs. 0.23 in the corresponding period of the previous year.

Future Outlook

In the last AGM of the Company held on November 27, 2024, the shareholders of the Company unanimously decided to surrender the Company's NBFC/Investment Finance Services Licence. The shareholders also resolved to change the principal line of business to make investment to invest in shares, bonds, stocks, units of mutual funds or any other securities or its related instruments, or otherwise in all types of real assets and in such manner as may from time to time be determined by the Company.

The EOGM of the Company held on December 28th, 2024, conducted under the Order No. 75382/2024 dated, December 4, 2024 of the Honorable Lahore High Court, Lahore, through its appointed Co-Chairmen, approved the Scheme of Compromises, Arrangement and Reconstruction of LSE Financial Services Limited (and its Members) and Digital Custodian Company Limited (and its Members), in terms of provisions of Sections 279 to 283 and all other enabling provisions of the Companies Act, 2017.

Consequently, the Honorable Lahore High Court, in its Order dated October 13, 2025, has allowed the petition and has sanctioned the Scheme for the transfer of designated assets and liabilities and reconstruction of share capital and reserves of the Company.

For and on behalf of the Board of Directors,

-Sd-
Chief Executive Officer
Lahore:
Date: November 1, 2025

-Sd-
Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2025 (UN-AUDITED)

	Note	September 30, 2025 Un-Audited	June 30, 2025 Audited
		Rupees in thousands	
ASSETS			
NON-CURRENT ASSETS			
Investment in associates	5	**386,964**	384,775
Long term loans to director	6	**3,045**	3,045
Long term deposits	7	**5,009**	5,009
		395,018	392,829
CURRENT ASSETS			
Financial assets	9	**-**	-
Receivables, advances and prepayments	8	**41,732**	40,804
Tax refunds due from the Government - net	10	**45,492**	45,521
Cash and bank balances	11	**11,779**	10,027
		99,003	96,352
		494,021	489,180
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital			
Issued, subscribed and paid-up capital	12	**356,776**	356,776
Share premium		**31,355**	31,355
Fair value reserve		**2,897**	2,896
Revenue reserves			
Unappropriated profit		**49,468**	65,952
		440,495	456,979
NON-CURRENT LIABILITIES			
Long Term Finance	13	**-**	-
Deferred taxation		**7,391**	7,391
		7,391	7,391
CURRENT LIABILITIES			
Trade and other payables	14	**30,747**	8,943
Current Portion of long term finance		**1,539**	2,020
Unpaid / Unclaimed dividend		**27**	27
		32,313	10,990
Deposits Payable related to discontinued operations		**13,820**	13,820
CONTINGENCIES AND COMMITMENTS	15	**-**	-
		494,021	489,180

The annexed notes 1 to 24 form an integral part of these financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

LSE FINANCIAL SERVICES LIMITED

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

	1st quarter ended	
	September 30, 2025	September 30, 2024
	Un-Audited	Un-Audited
	Rupees in thousands	
REVENUE	**7,262**	8,901
OTHER INCOMES	**2,457**	6,698
	9,719	15,599
OPERATING EXPENSES		
Administrative and general expenses	**(26,663)**	(8,442)
Income from associates	**2,189**	2,239
OPERATING PROFIT	**(14,756)**	9,396
Finance cost	**(37)**	(73)
PROFIT BEFORE TAXATION	**(14,793)**	9,323
Taxation	**(1,692)**	(962)
PROFIT AFTER TAXATION	**(16,484)**	8,361
Other Comprehensive income	**-**	-
TOTAL COMPREHENSIVE INCOME / (LOSS) FOR THE PERIOD	**(16,484)**	8,361
EARNINGS PER SHARE OF RS. 10 EACH - basic and diluted	**(0.46)**	0.23

The annexed notes 1 to 24 form an integral part of these financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

LSE FINANCIAL SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED SEPTEMBER 30, 2025

	Share Capital	Share Premium	Fair value reserve	Unappropriated profit	Total Equity
	Rupees in Thousands				
Balance as at September 30, 2024 - un-audited	**356,776**	**31,355**		**65,604**	**453,735**
Profit for the year	-	-	-	18,186	18,186
Other comprehensive income	-	-	2,896		2,896
Total comprehensive income for the year	-	-	2,896	18,186	21,083
Transactions with owner:					
Cash dividends of Rs. 0.50 per share for the year ended June 30, 2024 (Final)	-	-	-	(17,839)	(17,839)
Balance as at June 30, 2025	**356,776**	**31,355**	**2,896**	**65,952**	**456,979**
Loss for the year	-	-	-	(16,484)	(16,484)
Other comprehensive income	-	-	0		0
Total comprehensive income for the year	-	-	0	(16,484)	(16,484)
Balance as at September 30, 2025 - un-audited	**356,776**	**31,355**	**2,897**	**49,468**	**440,496**

The annexed notes from 1 to 36 form an integral part of these financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

LSE FINANCIAL SERVICES LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME

FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

	Note	Quarter ended September 30, 2025 Un-Audited	Quarter ended September 30, 2024 Un-Audited
		Rupees in thousands	
PROFIT FOR THE PERIOD		**(16,484)**	8,361
Items that will never be reclassified to statement of profit or loss:			
Share of other comprehensive income of associates		**0**	-
Less: Deferred tax impact		**(0)**	-
		0	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**(16,484)**	8,361

The annexed notes 1 to 24 form an integral part of these financial statements.

Chief Executive Officer | **Chief Financial Officer** | **Director**

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE QUARTER ENDED SEPTEMBER 30, 2025 (UN-AUDITED)

	Note	Quarter ended September 30, 2024 Un-Audited	Quarter ended September 30, 2023 Un-Audited
Cash flows from operating activities		Rupees in thousands	
Profit before tax		**(14,793)**	9,323
Adjustments for non - cash and other items:			
Return on investments		**-**	(2,266)
Profit on saving bank accounts		**(7)**	
Profit on deposits		**(519)**	
Dividend income		**(1,931)**	
Income from associates		**(2,189)**	(2,239)
Finance cost		**37**	73
Loss before working capital changes		**(4,608)**	(4,432)
Movement in working capital	22	**20,877**	39,173
Cash (used in) / generated from Operations		**1,475**	44,064
Finance cost paid		**(37)**	(75)
Income tax paid		**(1,663)**	(4,428)
Net cash (used in) / generated from operating activities		**(225)**	39,561
Cash flows from investing activities			
Investments made during the period			(35,243)
Receipt from investment in finance lease		**(481)**	-
Long term deposits received		**-**	4,884
Profit received on saving accounts & MTS		**526**	950
Dividend received		**1,931**	
Net cash generated from investing activities		**1,976**	(29,409)
Cash flows from financing activities			
Un claimed Dividend (paid) / Receipt		**-**	-
Long term Financing from financial institution		**-**	-
Net cash (used in) / generated from financing activities		**-**	-
Net Increase / (decrease) in cash and cash equivalents		**1,751**	10,152
Cash and cash equivalents at the beginning of the year		**10,027**	23,443
Cash and cash equivalents at the end of the year	11	**11,779**	33,595

The annexed notes 1 to 24 form an integral part of these financial statements.

Chief Executive Officer **Chief Financial Officer** **Director**

LSE FINANCIAL SERVICES LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR THE QUARTER ENDED SEPTEMBER 30, 2025

1 Legal status and operations

LSE Financial Services Limited ("the Company") was originally incorporated with the name of Lahore Stock Exchange (Guarantee) Limited under the repealed Companies Act, 1913 (now the Companies Act, 2017) on October 05, 1970 as a Company limited by guarantee. The Company was re-registered as a public unlisted Company limited by shares on August 27, 2012. Consequent to the integration of all stock exchanges of the country on Jan 11, 2016, the Company obtained an NBFC license to start functioning as an investment finance services company under the name LSE Financial Services Limited. The Company underwent a series of restructuring during 2023 and 2024. On Jan 11, 2025, the Company's NBFC license expired and the Company decided to not renew the same. Hence, the Company is no longer operating as an NBFC after the said date.

On May 31, 2024, the shares of the Company started trading on Pakistan Stock Exchange Limited ("PSX") consequent to the transfer of the listing status from Modaraba Al-Mali (Modaraba) under the scheme of arrangement with its management company - LSE Capital Limited.

The Head office / Registered Office of the Company is located at the Exchange Hub, LSE Plaza, 19, Khayaban-e-Aiwan-e-Iqbal, Lahore, Pakistan.

2 Post Balance Event

Pursuant to the Court Order No. C.O. 75382/2025 dated October 13, 2025, passed in the matter between LSE Financial Services Limited (LSEFSL) and Digital Custodian Company Limited (DCCL), the Court has approved the transfer of designated assets and liabilities, the reconstruction of share capital and reserves, as well as the distribution of shares of LSE Capital Limited (LSECL) held by DCCL and LSEFSL to their respective shareholders under the Scheme. The Court has also approved the distribution of shares of LSE Financial Services Limited held by DCCL to its shareholders in accordance with the Scheme.

3 Basis of Preparation

This condensed interim financial information has been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 provisions of and directives issued under the Companies Act,2017. Wherever the requirements of the Companies Act, 2017, differ with the requirements of IFRS, the requirements of the Companies Act, 2017 shall prevail.

This condensed interim financial information does not include all information required for annual financial statements and therefore should be read in conjunction with the annual financial statements for the year ended June 30, 2025.

The management of the Company is confident that it will be able to meet its obligations and carry on business without any curtailment based on the grounds that the Company will be able to achieve satisfactory level of profitability in the future based on the plans drawn up by the management for this purpose, which include income arising from rentals and investments.

3 Accounting Policies

The significant accounting policies are adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

4 Taxation

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year.

		Note	September 30, 2025 Un-Audited	June 30, 2025 Un-Audited
			Rupees in thousands	
5	**INVESTMENT IN ASSOCIATES**			
	Under Equity Method			
	LSE Capital Limited		**173,139**	171,469
	Digital Custodian Company Limited		**213,825**	213,306
			386,964	384,775
6	**LONG TERM LOANS TO DIRECTOR**			
	Loan to Executive Director		**12,490**	12,490
	Less: Reduce rate discounting		**(1,901)**	(1,901)
			10,589	10,589
	Less: current portion of loan		**(7,544)**	(7,544)
			3,045	3,045
7	**LONG TERM DEPOSITS**			
	Utilities		**1,224**	1,224
	Marginal Trading System of NCCPL		**3,785**	3,785
			5,009	5,009
8	**RECEIVABLES, ADVANCES AND PREPAYMENTS**			
	Receivables			
	Fund Management fee receivable	8.1	**2,745**	2,959
	Receivable from associates [related parties]		**27,778**	26,778
	Unsecured - Considered good			
	Prepayments [related parties]		**3,665**	3,523
	Current portion of long term loans		**7,544**	7,544
			41,732	40,804
	8.1 Other receivables from related parties:			
	MCF Trust Fund		**341**	354
	IPF Trust Fund		**874**	969
	TCF Trust Fund		**1,553**	1,661
			2,769	2,959
9	**FINANCIAL ASSETS**			
	Investment in MTS - At amortised cost	10.1	**-**	-
			-	-

9.1 These carry maximum mark-up up to 3 Months Kibor + 8 % p.a. The marginal trading contract period is for maximum 64 days

		Note	September 30, 2025	June 30, 2025
10	**TAX REFUNDS DUE FROM THE GOVERNMENT - NET**			
	Opening Balance		**45,521**	44,814
	Income tax deducted at source during the year		**1,663**	4,715
	Provision of income tax for the year		**(1,692)**	(4,008)
			45,492	45,521
11	**CASH AND BANK BALANCES**			
	Cash at banks on :			
	-Saving accounts	11.1	**11,779**	10,027

11.1 These carry mark-up @ 9.50% p.a. (June 30, 2025: 9.50% to 20.50% p.a.).

12 SHARE CAPITAL

Authorized share capital

Authorized share capital comprises of 52,000,000 (June 30, 2025: 52,000,000) Ordinary shares of Rs. 10 each.

Issued, subscribed and paid up capital

September/25	June/25		Note	September 30, 2025 Un-Audited	June 30, 2025 Un-Audited
(Number of shares)				Rupees in thousands	
35,677,578	35,677,578	Ordinary shares of Rs. 10/- each issued for consideration	12.1	**356,776**	356,776
				356,776	356,776

12.1 The company has demerged as per Lahore High Court Order dated April 26, 2023 under which share capital has been transferred to LSE Ventures Limited and 100% equivalent shares have been issued in favour of LSE Ventures Limited of the company to Rs. 100 million

13 LONG TERM FINANCING

	Note	September 30, 2025 Un-Audited	June 30, 2025 Un-Audited
		Rupees in thousands	
From banking institution - secured			
Bank Al Habib Limited	13.1	**1,539**	2,020
Less: Current portion shown under current liabilities		**(1,539)**	(2,020)
		0	0

13.1 The long term financing facility has been obtained from Bank Al Habib Limited for the purchase and installation of 100 KW On-Grid Solar System under the State Bank of Pakistan financing scheme for Renewable Energy Category-II. It carries mark-up at SBP rate of 2% with spread of 2% per annum, payable quarterly. The bank has marked lien over PLS accounts for Rs. 3.94 million. The tenor of the facility is 5 years from the date of disbursement.

14 TRADE AND OTHER PAYABLES

	Note	September 30, 2025 Un-Audited	June 30, 2025 Un-Audited
		Rupees in thousands	
Trade creditors		**4,594**	* 1,299
Related Party		**20,500**	
Accrued liabilities		**2,171**	2,171
Due to members		**-**	-
Defaulted members' membership sale proceeds	14.1	**-**	-
Advances received from members and companies		**-**	-
Loan for Margin Trading System		**-**	-
PRA Sales Tax		**735**	51
Witholding tax payable		**387**	3,064
Provision for Punjab Worker Welfare Fund		**2,345**	2,345
Accrued mark-up		**13**	13
		30,745	8,943

14.1 This represents amounts realized through auctions of the defaulted members' memberships & assets. The proceeds have been retained by the Company upon direction of relevant Authorities for settlement of claims against these defaulted members.

15 Contingencies and Commitments

15.1 Contingencies

15.1.1 The Income Tax Appellate Tribunal, vide its order dated June 03, 2003 and November 01, 2005 for the Assessment years 1992-93 to 2000-01 accepted the contention that the Company qualifies for exemption under section 5(1)(i)/clause 22 of the Second Schedule to the Wealth Tax Act, 1963. The Department has filed a written petition before the Lahore High Court, Lahore against the aforesaid order of the Income Tax Appellate Tribunal. The Honorable Lahore High Court decided the case in favour of the Company. However, the tax department has filed the CPLA before the Honorable Supreme Court of Pakistan.

15.2 Commitments

There is no commitment outstanding as at the reporting date (June 30, 2025: Rs. nil).

		Note	September 30, 2025 Un-Audited	September 30, 2024 Un-Audited
			Rupees in thousands	
16	**REVENUE**			
	Revenue from Margin Trading System of NCCPL		-	2,266
	Fund and operational management fee	16.1	**8,645**	7,899
	Less: PRA sales tax		**(1,383)**	(1,264)
			7,262	8,901

16.1 This represents funds & operation management fee charged to Members' Contribution Fund, Investors Protection Fund and TREC Holders' Contribution fund trust for the period ended September 30, 2024. Funds & operation management fee is calculated at the rate of 2.00% on

17	**OTHER INCOMES**		
	Income from financial assets		
	Short term investments		
	Profit on saving bank accounts	7	950
	Profit on deposits	377	-
	Profit on loan to director	-	1,970
	Dividend income	1,931	
	Markup on advances to related parties	142	38
	Income from non - financial assets		
	Miscellaneous	-	3,740
		2,457	6,698

			September 30, 2025 Un-Audited	September 30, 2024 Un-Audited
			Rupees in thousands	
18	**ADMINISTRATIVE AND GENERAL EXPENSES**			
	Salaries and benefits	18.1	**8,529**	2,258
	Information technology related expenses		**-**	-
	Insurance		**-**	-
	Travelling and conveyance		**1,219**	323
	Printing and stationery		**-**	-
	Utilities		**-**	-
	Communication and public relations		**45**	75
	Repair and maintenance		**-**	63
	Security expenses		**1,328**	-
	Legal and professional charges		**9,842**	1,259
	Consultancy charges		**3,600**	3,893
	MTS charges		**101**	367
	Fee and subscription		**794**	36
	Rent, rates and taxes		**-**	-
	Donations		**900**	-
	Others charges		**305**	168
			26,663	8,442

18.1 Salaries and benefits include Rs. 0.000 million (2021: Rs. 0.363 million) in respect of contribution to provident fund.

19	**FINANCE COST**			
	Mark-up on financing	19.1	**19**	56
	Bank charges		**18**	17
			37	73

19.1 This consists of interest payable to Bank Alhabib Limited against financing facility taken by company

		September 30, 2025 Un-Audited	September 30, 2024 Un-Audited
20	**TAXATION**	Rupees in thousands	
	Current	**1,692**	962
		1,692	962

21 EARNINGS PER SHARE

Basic earnings / (loss) per share

Profit after tax attributable to ordinary shareholders	*(Rupees in thousand)*	**(16,484)**	8,361
Weighted average number of shares outstanding during the year	*(Number of shares in thousand)*	**35,678**	35,678
Earnings per share	*(Rupees)*	**(0.46)**	0.23

22 MOVEMENT IN WORKING CAPITAL

	September 30, 2025 Un-Audited	September 30, 2024 Un-Audited
	Rupees in thousands	
(Increase) / decrease in current assets:		
- Receivables, advances and prepayments	**(928)**	(7,563)
Increase / (decrease) in current liabilities:		
- Trade and other payables	**21,804**	46,736
- Deposits Payable related to discontinued operations	**-**	-
	21,804	46,736
	20,877	39,173

23 AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized to issue on **November 1, 2025** by the Board of Directors of the company

24 Corresponding Figures

24.1 In order to comply with the requirements of International Accounting Standard 34 - "Interim Financial Reporting", the condensed interim balance sheet and condensed interim statement of changes in equity have been compared with the balances of annual audited financial statement of preceding financial year, whereas, the condensed interim profit and loss account, condensed interim cash flow statement have been compared with the balances of comparable period of immediately preceding financial year.

24.2 The figures in this financial information have been rounded off to the nearest Rupees in thousands unless otherwise specified.

Chief Executive Officer | **Chief Financial Officer** | **Director**