



February 26, 2024 / 58047

LSEVL/No./

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

Subject: LSEVL - Corporate Briefing Session (CBS) - 2024

Dear Sir,

In continuation to our earlier letter No. LSEVL/NO./58046 dated February 23, 2024 for the holding of Corporate Briefing Session (CBC) -2024 of LSE Ventures Limited (the "Company") on March 1st, 2024 at 10:30 a.m. at the registered office of the Company at LSE Plaza, 19-Khayaban-e-Aiwan-e-Iqbal, Lahore and also through video link facility.

We are pleased to submit the enclosed presentation for the said Corporate Briefing Session and the same has also been available on Company's website for the information of the Shareholders. The video link and login details for the meeting will be shared with the registered participants, accordingly.

You may please circulate the same to all the concerned.

For and on behalf of
LSE Ventures Limited:



Company Secretary



Encl.: - Presentation



SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR AMALGAMATION/MERGER OF

Part – 1 : Complete Transfer of Business and Undertaking of LSE Ventures Limited with and into Digital Custodian Company Limited

Part – 2 : Issuance Of Convertible Sukuks & Class B Shares To The Shareholders

Ongoing & Future Consolidations/Mergers

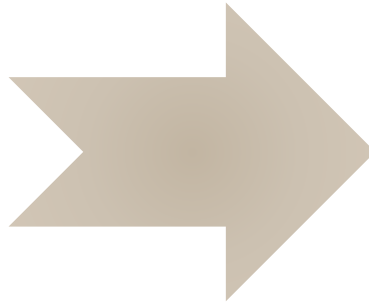
PART-1 Complete Transfer of Assets and Undertakings

PART-2 - Partial Transfer of Designated Assets

Ongoing Merger



PROPTech
(AND ITS MEMBERS)



LSE CAPITAL
(AND ITS MEMBERS)



LSE CAPITAL
(AND ITS MEMBERS)

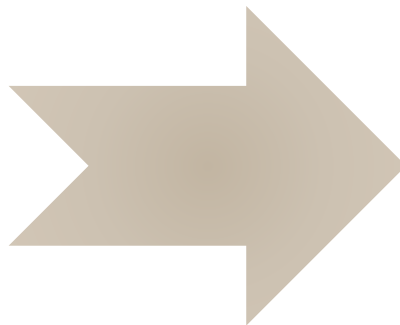


Financial Services Limited
(AND ITS MEMBERS)

Present Merger



LSE VENTURES
(AND ITS MEMBERS)

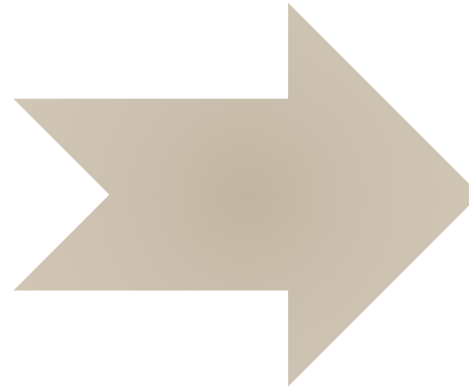


DIGITAL CUSTODIAN COMPANY
(AND ITS MEMBERS)

Complete Transfer of Assets and Undertakings



LSE VENTURES LIMITED
(AND ITS MEMBERS)



DIGITAL CUSTODIAN COMPANY LIMITED
(AND ITS MEMBERS)

**SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION FOR AMALGAMATION/ MERGER
(IN TERMS OF PROVISIONS OF SECTIONS 279 TO 283 AND ALL OTHER ENABLING PROVISIONS OF THE
COMPANIES ACT, 2017)**

Objectives & Benefits of the Scheme

- LSEVL only functions as an investment company, depending on dividend and interest income.
- LSE VL doesn't operate any business of its own. That's why, the prime motive of the merger is to transform LSE VL into a business operating company.
- DCCL enjoys a unique position due to its **multiple licenses** and innovative technological capabilities.
- DCCL's own equity capital is not adequate to enable to reposition itself as a limited-scale depository on its own.
- A merger of LSEVL with DCCL shall make it possible to apply for a licensed limited-scale depository, which can primarily service the unlisted companies.
- The merger shall also provide opportunity to offer many new asset custody services.
- The merger shall benefit the shareholders of both LSE VL and DCCL.
- Combining **LSEVL** with **DCCL** will lead to diversification of the existing income streams.
- The shareholders' equity shall become **Rs. 3.3** billion which will enable the surviving company (**DCCL**) to utilize its balance sheet strength for obtaining new licenses.

Objectives & Benefits of the Scheme



- Will lead to broader shareholders' base enabling any further fundraising, as and when required.
- Operational and strategic synergies in terms of costs and efficiency will become available.
- Long-term value creation for the investors of **LSEVL**, who mostly got their shares in 2012, i.e. upon the demutualization of the stock exchanges, but are yet to see the worth of their holding multiply in a meaningful manner. The Book value of **LSEVL** per share is **Rs. 12.40** whereas its market value is **Rs. 4.45** per share (as on January 25, 2024), which is much lower than its book value. Thus, after the merger and after adopting an operating business, the worth of the shares of the residual company is expected to increase.
- The shareholders of **LSEVL** shall also benefit in terms of increased allotment of shares/securities because after a shareholder of **LSEVL** who had 1000 shares before the merger shall get about 1140 shares/securities after the merger.
- **The merged entity** shall be positioned as a service company which specializes in the digitalization and unitization of assets.
- The members of **LSEVL** shall also continue to benefit from the listing status
- The trading volumes (at PSX) may **improve** after the proposed merger providing liquidity and tradability to the shareholders/investors.

Salient Features of the Scheme

Combining **LSEVL** with **DCCL** will enable **shareholders to become** an operational company offering direct services to funds, listed companies and other asset classes

Upon the completion of merger/amalgamation **LSEVL** will be dissolved without winding up

LSEVL shareholders will get **DCCL** shares and the listing status of **LSEVL** shall be transferred to **DCCL**

The effective SWAP Ratio is 1.15 i.e. **115** Securities of **DCCL** shall be given against **100** shares of **LSEVL**

The authorized capital of **LSEVL** shall be merged with **DCCL**

Shareholders of **DCCL** and **LSEVL** will also get the following securities:

1. Digital Custodian Company Limited – Perpetual and Convertible Sukuk
2. Digital Custodian Company Limited – Class B - Redeemable Share

Capital Distribution under the Scheme

AUTHORIZED CAPITAL		No. of Shares		In PKRs. 000	
	Par Value / Nominal				
	Per Share/Certificate	Before Scheme	After Scheme	Before Scheme	After Scheme
LSE Venture Limited	10.00	200,000,000		2,000,000	
Digital Custodian Company	10.00	60,000,000	300,000,000	600,000	3,000,000
ISSUED, PAID-UP & CLASS B SHARES		No. of Shares		In PKRs. 000	
	Par Value / Nominal				
	Per Share/Certificate	Before Scheme	After Scheme	Before Scheme	After Scheme
LSE Venture Limited	10.00	179,597,880		1,795,979	
Digital Custodian Company	10.00	52,266,777	272,282,620	522,668	2,722,826

Allocation Snapshot - LSEVL

LSEVL Shareholder

Before Merger:

No of Outstanding Shares **179,597,880**

PART - I - After Merger

DCCL Ordinary shares: **108,847,200**

DCCL Additional shares: **53,335,128**

Total **162,209,328**

PART - II - After Merger

Perpetual and Convertible Sukuk: **21,769,440**

Class B - Redeemable Share: **21,769,440**

Total **43,538,880**

Total Allocation to LSEVL Shareholders

PART I+II = 205,721,208

A person having 1,000 Shares of **LSEVL** will get the following securities of DCCL

1. Ordinary Shares	606	SWAP Ratio of 0.606
2. Additional Ordinary Shares	296	
3. Perpetual and Convertible Sukuk	121	
4. Class B - Redeemable Share	121	
Total DCCL Shares	1,144	

Allocation Snapshot - DCCL



DCCL Shareholder

Before Merger:

No of Outstanding Shares **52,266,777**

PART - I - After Merger

DCCL Ordinary shares: **52,266,77**

DCCL Additional shares: **25,610,720**

Total **77,877,497**

PART - II - After Merger

Perpetual and Convertible Sukuk: **10,453,355**

Class B - Redeemable Share: **10,453,355**

Total **20,906,710**

Total Allocation to DCCL Shareholders

PART I+II = 98,784,207

Person having 1,000 Shares of DCCL will get the following securities of DCCL

1. Ordinary Shares	1,000	Original holding
2. Additional Ordinary Shares	490	at the ratio of 0.490 of post merger capital
3. Perpetual and Convertible Sukuk	200	20% post merger capital before Additional Ordinary Shares
4. Class B - Redeemable Share	200	20% post merger capital before Additional Ordinary Shares
Total DCCL Shares	1,890	

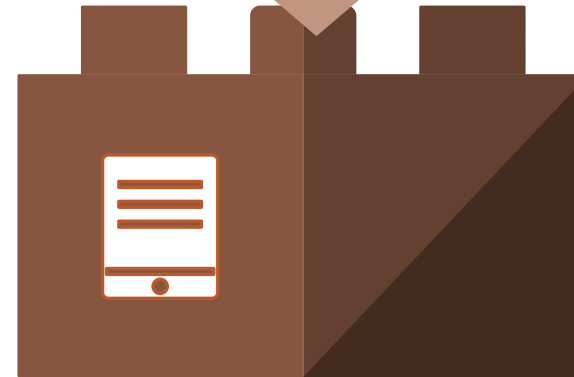
SHARES ALLOCATION TO FORMER LSE MEMBERS

Allocation	LSE/LSEFSL	LSEPL	DCCL		Grand Total
			Sukuk	Class B	
Original (2012)	843,975				
Past (2023)		295,391			245,174
Next (2024)	761,264		102,120	102,120	965,502
					1,210,676 (30%)



Investments/Holdings in Subsidiaries/Associates:

- Pakistan Credit Rating Agency - 36.00%
- National Clearing Company - 23.53%
- Central Depository Company - 10.00%
- Pakistan Mercantile Exchange - 7.25%



Licenses/registrations

- Custodian / Trustee for the Fund Industry
- Trustee for Debt Securities
- Ballotter & Share Registrar
- Authorized Intermediary
- SBP's permission for PRISM/RTGS member
- Accreditation Certification Service Provider (ECAC/MoIT) under ETO 2022 (under process)
- Non-Securities Market Depository (to be applied)

Assets after Merger

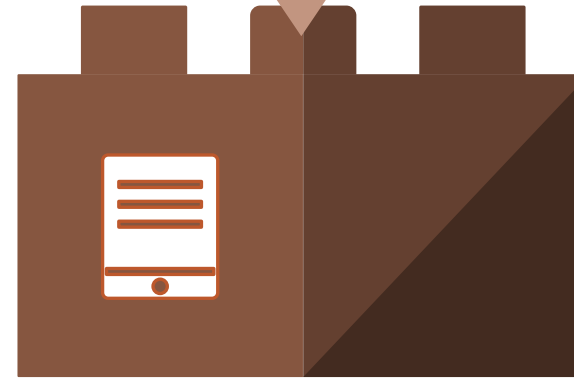
1



Investments/Holdings in Subsidiaries/Associates:

- Pakistan Credit Rating Agency - 36.00%
- National Clearing Company - 23.53%
- Central Depository Company - 10.00%
- Pakistan Mercantile Exchange - 7.25%

2



Licenses/registrations

- Custodian / Trustee For Fund Industry
- Trustee for Debt Securities
- Share Registrar Services
- Registration as Intermediary
- RTGS Membership as Direct Participant
- Accreditation Certification Service Provider (ECAC/MoIT) under ETO 2022 (under process)
- Non-Securities Market Depository (to be applied)

Surviving Companies of LSE Group (after mergers)



- **Ordinary Share**



- **Ordinary Share**
- **Redeemable Share**
- **Sukuk**



- **Ordinary Share**

Shareholding Pattern

Pre-Merger

- InfoTech- **38.5%**
- LSE Capital- **35.1%**
- LSE Ventures- **9.9%**
- ISE RMC- **9.0%**
- Others - **7.5%**

Post-Merger Ongoing Merger

- LSE FSL- **36%**
- LSE Capital- **28%**
- LSE Ventures- **9.9%**
- InfoTech- **9.0%**
- ISE RMC- **9.0%**
- Others - **7.5%**

Post-Merger Next Merger

- LSE Capital- **28.1%**
- LSE FSL- **11.7%**
- InfoTech- **2.9%**
- ISE RMC- **2.9%**
- LSE Ventures- **0.0%**
- Public/others- **54%**