

The image features a low-angle, upward-looking perspective of several modern skyscrapers against a clear sky. The buildings are rendered in a grayscale or muted color palette. On the left side, there are two large, overlapping geometric shapes: a dark green one at the top and a yellow one at the bottom. The EFG Hermes logo is positioned in the upper left corner of the green shape. The text 'QUARTERLY REPORT SEPTEMBER 2024' is centered on the right side of the image.

≡ EFG Hermes

QUARTERLY
REPORT
SEPTEMBER
2024

Contents

02

Company Information

03

Director's Review - Report

05

Condensed Interim
Statement of Financial Position

06

Condensed Interim
Statement of Profit or Loss

07

Condensed Interim Statement of
Comprehensive Income

08

Condensed Interim
Statement of Changes in Equity

09

Condensed Interim
Statement of Cash Flow

10

Notes to the Financial Statement

18

Pattern of Shareholding



Company Information

Board of Directors

Mr. Freyan Byram Avari - Chairmain
Mr. Mohamed Ebeid - Director
Mr. Fayyaz Ilyas - Director
Ms. Sarah Maja - Director
Mr. Johannes Gunnell - Director
Mr. Raza Haider Jafri - CEO & Director
Mr. Shahid Kamal - Director

Audit Committee

Mr. Johannes Gunnell - Chairman
Mr. Fayyaz Ilyas - Member
Ms. Sarah Maja - Member
Mr. Freyan Byram Avari - Member

HR & R Committee

Mr. Freyan Byram Avari - Chairman
Mr. Mohamed Ebeid - Member
Ms. Sarah Maja - Member

Company Secretary

Mr. Shahid Kamal

Chief Financial Officer

Mr. Umar Farooque

Auditors

M/s. Riaz Ahmad, Saqib, Gohar & Company Chartered Accountants
5-Nasim, C.H.S. Major Nazir Bhatti Road,
Off: Shaheed-e-Millat Road, Karachi, Pakistan.

Legal Advisor

M/s. Mohsin Tayebaly & Co. (MTC)
1st Floor, Dime Centre, BC-4, Block 9, Kehkshan,
Clifton, Karachi, Pakistan.

Share Registrar

M/s. F. D. Registrar Services (Pvt.) Limited
Office No. 1705-A, 17th Floor, Saima Trade Tower,
I.I. Chundrigar Road, Karachi, Pakistan.

Bankers

MCB Bank Limited
Bank Alfalah Limited
Askari Bank Limited
United Bank Limited
Allied Bank Limited
Bank Al Habib Limited
Habib Metropolitan Bank Limited
Standard Chartered Bank Limited
Habib Bank Limited
JS Bank Limited
Meezan Bank Limited

Registered Office

Office No. 904, 9th Floor, Emerald Tower,
Plot No. G-19, Block-5, Clifton, Karachi, Pakistan

Website

www.efghermespakistan.com



Directors' Review

BEGIN IN THE NAME OF ALLAH THE MOST GRACIOUS AND MERCIFUL

Dear Member(s)

We, on behalf of Board of Directors of your Company, are pleased to present herewith un-audited condensed interim financial statements of the Company for the third quarter and nine months ended September 30, 2024.

We are also pleased to inform the members that the Sindh High Court, through Order dated October 09, 2024 via petition JCM No.08 of 2024, has sanctioned the merger of Intermarket Securities Limited with and into EFG Hermes Pakistan Limited, effective from July 01, 2024. Consequently, as detailed in the accompanying notes to the Accounts, these financial statements have been prepared in accordance with the Scheme of Amalgamation and the Court Order, reflecting the post-merger financial position.

Performance Review

During the third quarter ended September 30, 2024, the Company earned operating revenues of Rs. 263.00 million as compared to Rs. 156.16 million for the same period during last year. The Company posted before and after tax profit Rs. 135.99 million and Rs. 100.29 million respectively, compared to before and after tax profit of 75.00 million and Rs. 66.23 million respectively for the corresponding period. During the quarter, the earning per share for the quarter, calculated on the basis of the approved swap ratio of 2.16 shares of the Company for every 1 share of IMS, stood at Rs. 0.78 compared to Rs. 0.61 for the corresponding period.

For the nine months ended September 30, 2024, the Company earned operating revenues of Rs. 678.62 million compared to Rs. 247.89 million for the corresponding period. The Company posted before and after tax profit of Rs. 304.92 million and Rs. 277.84 million respectively compared to before and after tax profit of Rs. 17.00 million and of Rs. 16.76 million for the same period last year. The earning per share for the nine months stood at Rs. 2.41 compared to profit per share of Rs. 0.15 for the corresponding period.

While the third quarter was initially sluggish, as the KSE100 remained range-bound across July and August, the Index rose subsequently on improved volumes. Passive foreign selling was well absorbed by local investors as inflation readings came down sharply and economic policymaking remained disciplined. With headline interest rates expected to come down further, and Pakistan successfully entering into a new phase of macroeconomic stability under the IMF programme, we retain an optimistic outlook.

In conclusion, we pray to almighty Allah for his blessings, guidance, health and prosperity to us, our Company, Country and Nation.

For and on behalf of the Board of Directors

Chief Executive Officer

Karachi, October 29, 2024

Director



ڈائریکٹرز رپورٹ برائے ممبران

شروع اللہ کے نام سے جو بڑا مہربان اور رحم والا ہے۔

محترم ممبران

السلام وعلیکم،

ہم آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی جانب سے بخوشی تیسری سہ ماہی اور نو ماہ 30 ستمبر 2024 کو ختم ہونے والی کمپنی کی غیر آڈٹ شدہ عبوری مالی تفصیلات کی رپورٹ پیش کرتا ہوں۔

ہمیں ممبران کو یہ بتاتے ہوئے خوشی محسوس ہو رہی ہے کہ سندھ ہائی کورٹ نے مورخہ 09 اکتوبر 2024 کے حکم نامہ کے ذریعے درخواست JCM نمبر 08 آف 2024، انٹرماریکیٹ سیکورٹیز لمیٹڈ کا ای ایف جی ہرمز پاکستان لمیٹڈ کے ساتھ انضمام کی منظوری دے دی ہے، جو یکم جولائی 2024 سے نافذ العمل ہے۔ نتیجتاً، جیسا کہ منسلک اکاؤنٹس کے نوٹس میں تفصیل سے بتایا گیا ہے، یہ مالیاتی گوشوارے انضمامی اسکیم اور کورٹ آرڈر کے مطابق تیار کیئے گئے ہیں، جو انضمام کے بعد کی مالی حالت کی عکاسی کرتا ہے۔

کارکردگی کا جائزہ:

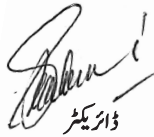
30 ستمبر 2024 کو ختم ہونے والی تیسری سہ ماہی کے دوران کمپنی نے آپریٹنگ آمدنی کی مد میں 263.00 ملین روپے کمائے جبکہ گزشتہ سال اسی مدت کے دوران 156.16 ملین روپے کمائے تھے۔ جبکہ مذکورہ مدت کا قبل ازنگس اور بعد ازنگس منافع بالترتیب 135.99 ملین روپے اور 100.29 ملین روپے ہے جبکہ اسی مذکورہ مدت کے دوران قبل ازنگس اور بعد ازنگس منافع بالترتیب 75.00 ملین روپے اور 66.23 ملین روپے تھا۔ اس سہ ماہی کے دوران، سہ ماہی کیلئے فی حصص آمدنی 0.78 روپے مقابلتا گزشتہ سال اسی مدت کے دوران 0.61 روپے رہی، جس کا حساب IMS کے ہر ایک حصص کے لئے کمپنی کے 2.16 حصص کے منظور شدہ تبادلہ کے تناسب کی بنیاد پر کیا گیا۔

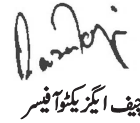
نومای 30 ستمبر 2024 کے اختتام پر کمپنی نے آپریٹنگ آمدنی کی مد میں 678.62 ملین روپے کمائے جبکہ گزشتہ سال اسی مذکورہ مدت کے دوران 247.89 ملین روپے کمائے تھے۔ قبل ازنگس اور بعد ازنگس منافع 304.92 ملین روپے اور 277.84 ملین روپے ہے جبکہ گزشتہ سال اسی مدت کے دوران قبل ازنگس اور بعد ازنگس منافع بالترتیب 17.00 ملین روپے اور 16.76 ملین روپے تھا۔ نومای کی مدت کے دوران فی حصص منافع 2.41 روپے مقابلتا گزشتہ سال اسی عرصہ کے دوران فی حصص منافع 0.15 روپے تھا۔

جبکہ تیسری سہ ماہی ابتدائی طور پر مست تھی، کیونکہ KSE100 جولائی اور اگست کے دوران ریٹج کے پابند رہے، انڈیکس بعد میں بہتر حجم پر بڑھ گیا۔ غیر فعال غیر ملکی فروخت کا مقامی سرمایہ کاروں نے اچھی طرح مشاہدہ کیا کیونکہ افراط زر کی ریڈنگ میں تیزی سے کمی آئی اور معاشی پالیسی نظم و ضبط کے تحت رہی۔ سود کی شرح میں مزید کمی کی توقع کی خبر کے ساتھ، پاکستان آئی ایم ایف پروگرام کے تحت میکرو اکنامک استحکام کے ایک نئے مرحلے میں کامیابی سے داخل ہو رہا ہے، ہم ایک پرامید نقطہ نظر کو برقرار رکھتے ہیں۔

آخر میں، اللہ تعالیٰ سے دعا ہے کہ وہ ہم پر، ہماری کمپنی، ملک اور قوم پر اپنی رحمتیں اور برکتیں نازل فرمائے۔ آمین

منجانب بورڈ آف ڈائریکٹرز


ڈائریکٹر


چیف ایگزیکٹو آفیسر

تاریخ: 29 اکتوبر 2024

Condensed Interim Statement of Financial Position (Un-audited)

AS AT SEPTEMBER 30, 2024

		Un-audited September 30, 2024	(Restated) Un-audited December 31, 2023
ASSETS			
NON-CURRENT ASSETS			
Property and equipment	3	106,819,998	22,656,021
Right-of-use assets	4	61,855,488	19,933,746
Intangible assets		11,624,658	8,008,570
Goodwill		388,415,850	-
Long-term investments	5	59,847,959	30,127,296
Long-term loans and deposits		7,143,405	6,593,405
Deferred taxation		7,759,224	-
		643,466,582	87,319,038
CURRENT ASSETS			
Trade debts		988,290,965	551,990,331
Short-term investments		434,812,979	441,989,714
Advances, deposits, prepayments and other receivables		567,633,183	489,857,460
Receivable under margin finance		387,589,551	402,392,261
Short term loan		-	42,646,012
Cash and bank balances		687,530,853	365,545,207
		3,065,857,531	2,294,420,985
		3,709,324,113	2,381,740,023
TOTAL ASSETS			
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized capital 200,000,000 (December 31, 2023: 200,000,000) ordinary shares of Rs.10/- each	6	2,000,000,000	2,000,000,000
Issued, subscribed and paid-up capital	7	1,033,418,922	503,404,510
Unappropriated profits		738,121,940	460,283,607
Capital reserve - gain on re-measurement of investments		3,575,355	-
		1,775,116,217	963,688,117
NON-CURRENT LIABILITIES			
Long-term loan		325,000,000	-
Deferred taxation - net		-	2,082,319
Lease liability		40,490,338	16,644,682
		365,490,338	18,727,001
CURRENT LIABILITIES			
Short term borrowings - secured	8	431,489,585	573,866,912
Current portion of lease liability		11,764,244	-
Taxation - net		44,165,595	26,338,675
Trade and other payables		1,052,108,848	780,199,460
Unclaimed dividend		11,037,547	-
Accrued markup		18,151,739	18,919,858
		1,568,717,558	1,399,324,905
CONTINGENCIES AND COMMITMENTS			
	9	-	-
		3,709,324,113	2,381,740,023

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Profit or Loss (Un-audited)

FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2024

	Note	Nine Months Ended		Third Quarter Ended	
		September 30, 2024	(Restated) September 30, 2023	September 30, 2024	(Restated) September 30, 2023
		Rupees		Rupees	
OPERATING REVENUES					
Operating revenues	10	527,751,218	227,677,920	237,281,008	107,889,979
Gain on sale of investments-net		150,864,819	20,208,488	25,718,388	48,274,635
		678,616,037	247,886,408	262,999,396	156,164,614
EXPENDITURES					
Administrative and general expenses		(364,550,470)	(226,295,651)	(153,081,592)	(87,826,272)
Operating profit		314,065,567	21,590,757	109,917,804	68,338,342
Other income/ (charges)- net		(18,726,550)	11,349,264	15,887,780	2,221,273
Income on margin finance		121,350,473	38,755,094	58,041,994	22,621,402
Financial charges		(104,165,205)	(54,697,350)	(40,249,482)	(18,178,696)
(loss) on re-measurement of investments categorised as 'fair value through profit or loss' - net		(7,605,078)	-	(7,605,078)	-
		(9,146,360)	(4,592,992)	26,075,214	6,663,979
PROFIT BEFORE TAXATION		304,919,207	16,997,765	135,993,018	75,002,321
TAXATION		(27,080,874)	(235,803)	(35,704,627)	(8,768,561)
PROFIT AFTER TAXATION		277,838,333	16,761,962	100,288,391	66,233,760
Earnings per share - basic and diluted	11	2.41	0.15	0.78	0.61

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Interim Statement of Comprehensive Income (Un-audited)

FOR THE NINE MONTHS AND QUARTER ENDED SEPTEMBER 30, 2024

Note	Nine Months Ended		Third Quarter Ended	
	September 30, 2024	(Restated) September 30, 2023	September 30, 2024	(Restated) September 30, 2023
	Rupees	Rupees	Rupees	Rupees
Profit after taxation	277,838,333	16,761,962	100,288,391	66,233,760
OTHER COMPREHENSIVE INCOME				
Item that will not be reclassified subsequently to profit or loss				
Gain on re-measurement of investments categorised as 'fair value through other comprehensive income'	3,575,355	-	3,575,355	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	281,413,688	16,761,962	103,863,746	66,233,760

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



Condensed Interim Statement of Changes in Equity (Un-audited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Issued, subscribed and paid-up capital			Revenue reserves	Capital reserve	Total
	Par value of the capital	Discount as a result of the Scheme of Merger	Total capital	Unappropriated Profit	Gain on re-measurement investments at 'FVOCI'	
	----- Rupees -----					
Balance as at December 31, 2022 (as previously reported)	503,404,510	-	503,404,510	258,137,882	-	761,542,392
Effect of restatement as a result of the Scheme of Merger	583,949,230	(583,949,230)	-	-	-	-
Balance as at December 31, 2022 (restated)	1,087,353,740	(583,949,230)	503,404,510	258,137,882	-	761,542,392
<i>Total comprehensive income for the nine-month period ended September 30, 2023</i>						
- Profit after taxation	-	-	-	100,288,391	-	100,288,391
- Other comprehensive income	-	-	-	100,288,391	-	100,288,391
Balance as at September 30, 2023	1,087,353,740	(583,949,230)	503,404,510	358,426,273	-	861,830,783
Balance as at December 31, 2023 (as previously reported)	503,404,510	-	503,404,510	460,283,607	-	963,688,117
Effect of restatement as a result of the Scheme of Merger	583,949,230	(583,949,230)	-	-	-	-
Balance as at December 31, 2023 (restated)	1,087,353,740	(583,949,230)	503,404,510	460,283,607	-	963,688,117
Transactions with owners Fair value of the consideration effectively transferred in the Scheme of Merger	200,156,500	329,857,912	530,014,412	-	-	530,014,412
<i>Total comprehensive income for the nine-month period ended September 30, 2024</i>						
- Profit after taxation	-	-	-	277,838,333	-	277,838,333
- Other comprehensive income	-	-	-	-	3,575,355	3,575,355
	-	-	-	277,838,333	3,575,355	281,413,688
Balance as at September 30, 2024	1,287,510,240	(254,091,318)	1,033,418,922	738,121,940	3,575,355	1,775,116,217

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

Condensed Interim Statement of Cash Flow (Un-audited)

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024

	Nine Months Ended	
	September 30, 2024	(Restated) September 30, 2023
	----- Rupees -----	
Cash Flows From Operating Activities		
Profit before taxation	304,919,207	16,997,765
Adjustments for:		
Depreciation on property and equipment	6,944,954	4,151,351
Depreciation on right-of-use assets	7,323,758	-
Amortisation of intangible asset	369,329	175,505
Financial charges	104,165,205	54,697,350
Gain on re-measurement of investments categorised as 'fair value through profit or loss' - net	(143,259,741)	(20,208,488)
Gain on disposal of property and equipment- net	(5,416,745)	389,007
	<u>(29,873,240)</u>	<u>39,204,725</u>
Profit before working capital changes	275,045,967	56,202,490
Changes in working capital		
Decrease / (increase) in current assets		
Trade debts - unsecured	(425,480,978)	(34,745,297)
Long-term Loans and deposits - net	-	(1,599,010)
Short-term investments - net	390,177,759	13,325,623
Advances, deposits, prepayments and other receivables	95,365,132	(79,348,908)
Receivable under margin finance	64,561,233	(75,928,687)
	<u>124,623,146</u>	<u>(178,296,279)</u>
Increase / (decrease) in current liabilities		
Trade and other payables	69,411,231	190,048,684
Unclaimed dividend	(9,577)	-
Cash generated from operations	<u>469,070,767</u>	<u>67,954,895</u>
Income tax paid - net	(14,357,914)	60,409,256
Financial charges paid	(104,933,324)	(51,420,067)
Net cash generated from operating activities	<u>349,779,529</u>	<u>76,944,084</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	(11,746,566)	(7,442,054)
Proceeds from disposal of property and equipment	6,496,662	4,200,801
Cash and bank balances acquired in merger	133,468,948	-
Net cash generated from/ (used in) investing activities	<u>128,219,044</u>	<u>(3,241,253)</u>
Cash Flows From Financing Activities		
Lease repayment - principal	(13,635,600)	(788,821)
Net cash used in financing activities	<u>(13,635,600)</u>	<u>(788,821)</u>
Net increase in cash and cash equivalents	<u>464,362,973</u>	<u>72,914,010</u>
Cash and cash equivalents at the beginning of the period	<u>(208,321,705)</u>	<u>(78,927,246)</u>
Cash and cash equivalents at the end of the period	<u>256,041,268</u>	<u>(6,013,236)</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial statements.


CHIEF EXECUTIVE OFFICER


DIRECTOR


CHIEF FINANCIAL OFFICER



Notes to the Condensed Interim Financial Statements (Un-audited)

FOR THE NINE MONTHS AND THIRD QUARTER ENDED SEPTEMBER 30, 2024

1 STATUS AND NATURE OF BUSINESS

EFG Hermes Pakistan Limited ('the Company') was incorporated under the Companies Ordinance, 1984 - 'repealed' (now Companies Act, 2017) on September 27, 1999 as a Private Limited Company and converted into Public Unquoted Company w.e.f. November 27, 2006. Effective March 20, 2008 the Company became a listed Company with its shares quoted on the Pakistan Stock Exchange Limited. The Securities & Exchange Commission of Pakistan ("SECP") issued a Certificate of Incorporation on change of Name under Section 40 of the Companies Ordinance, 1984 - 'repealed' on 18 May, 2017 recognizing the Company as EFG Hermes Pakistan Limited. The registered office of the Company is situated at Office No. 904, 9th Floor, Emerald Tower, Plot No. G-19, Block- 5, Clifton, Karachi, Pakistan.

The Company is Trading Right Entitlement Certificate (TREC) Holder of the Pakistan Stock Exchange Limited and a licensed Securities Broker registered with SECP. Furthermore, the Company is a Corporate Member of the Pakistan Mercantile Exchange Limited and acts as Service Provider/Distributor with Mutual Funds Association of Pakistan. The Company is engaged in Financial Brokerage, Corporate Finance and Financial Research and is well-positioned to respond to the dynamic business environment.

EFG Hermes Brokerage Holding (formerly EFG Hermes Frontier Holdings LLC), the Holding Company holds 51% shares of the Company.

1.1 Merger of Intermarket Securities Limited with and into the Company

Intermarket Securities Limited ('IMS') was incorporated in Pakistan as a private limited company on September 06, 2002 under the repealed Companies Ordinance, 1984 ('the Ordinance') which has now been replaced by Companies Act, 2017 ('the Act'). In the year 2009, the status of the IMS was changed to public unlisted company. IMS is a Trading Rights Entitlement Certificate (TREC) holder of Pakistan Stock Exchange Limited (PSX) and Pakistan Mercantile Exchange Limited (PMEX). The registered office of IMS is situated at 5th Floor, Ext. Block, Bahria Complex IV, Ch. Khaliq-ur-Zaman Road, Clifton, Karachi. The principal activities of IMS are investments, share brokerage, inter-bank brokerage, Initial Public Offer (IPO) underwriting, advisory and consultancy services.

A Scheme of Arrangement for the amalgamation/merger ("the Scheme") of IMS with and into the Company, effective from July 1, 2024, was approved by the Board of Directors of both companies on February 27 and February 28, 2024, and by resolutions passed by the shareholders of each company on March 28, 2024. The Scheme was subsequently sanctioned by the Honorable High Court of Sindh on October 9, 2024, with an effective date of July 1, 2024 ("Effective Date"). As a result, from the Effective Date, the name of the Company will be changed from "EFG Hermes Pakistan Limited" to "Intermarket Securities Limited," subject to procedures as laid down under relevant laws and regulations.

As of 01 July 2024, entire undertaking of IMS, including its business, properties, assets, liabilities, rights, and obligations, has merged into the Company.

Upon the sanction of the Scheme, the Company's authorized share capital increased from PKR 1,000,000,000 (Pak Rupees One Billion) to PKR 2,000,000,000 (Pak Rupees Two Billion), divided into 200,000,000 shares of PKR 10 each. This increase reflects the combined authorized share capital of the Company and IMS, as well as an additional share capital of PKR 1,000,000,000 to facilitate the swap ratio. The Company's Memorandum and Articles of Association will stand amended accordingly to align with the Merger Scheme.



In accordance with the substance of the transaction, management considers that reverse acquisition accounting is appropriate to present the merger in accordance with International Financial Reporting Standards ("IFRS") 3, 'Business Combinations,' as shareholders of IMS retain a larger portion of the voting rights and control in the combined entity. Thus, IMS is considered to be the accounting acquirer (legal acquiree), and the Company is considered the accounting acquiree (legal acquirer). Therefore, the merger has been accounted for in these financial statements with effect from 01 July 2024 (the "Effective Date") using reverse acquisition accounting.

The amalgamated entity's results, including the statement of financial position, profit or loss, other comprehensive income, cash flows, and notes to the financial statements, are presented under the name of the Company (EFG Hermes), as a continuance of the financial statements of IMS. A retroactive adjustment to share capital has been made to reflect the legal capital of EFG, and accordingly, comparative information has been adjusted to reflect EFG share capital. Consequently, the equity structure of IMS has been restated using the swap ratio (2.16) established in the scheme to reflect the number of EFG shares issued in the reverse acquisition, i.e., 108,735,374 shares. These financial statements, therefore, reflect the merged entities' results for the period after the merger, with prior-year amounts restated and not comparable to EFG Hermes' standalone financial statements.

As of the effective date, IMS, as the accounting acquirer, recognized the acquired assets and assumed liabilities of EFG Hermes at fair values in these financial statements using the acquisition method. The provisional fair values of the assets acquired, liabilities assumed, and purchase consideration, as well as the resulting goodwill, are as follows:

Fair value of net asset acquired of EFG hermes *	141,598,562
Purchase consideration (20,015,650 shares of the Company issued @ Rs. 26.48 per share)*	<u>530,014,412</u>
Goodwill recognised in the scheme of merger	<u>388,415,850</u>

**The fair value of EFG Hermes' net assets as of 30 June 2024 is consistent with their carrying amounts. The fair value of the consideration transferred by IMS and the group's interest in EFG is based on the market price of EFG at PKR 26.48 per share on 28 June 2024.*

In substance, EFG Hermes has merged with IMS, with 20,015,650 ordinary shares of the Company, each with a face value of PKR 10, issued as per reverse acquisition accounting requirement of IFRS3. However, as per approved scheme, a total of 108,735,374 shares will be issued and allotted to the shareholders of IMS on the basis of a swap ratio of 2.16 shares of the Company for every 1 share of IMS held.

The revenue and profit or loss of the EFG since the July 01, 2024 included in statement of comprehensive income for the three month period ended September 30, 2024 as follows:

Operating revenues	48,582,067
Gain on sale of investments-net	9,160,578
Administrative and general expenses	(47,305,529)
Other income/ (charges)- net	7,769,879
Income on margin finance	3,521,708
Financial charges	(18,995,146)
Gain / (loss) on re-measurement of investments categorised as 'fair value through profit or loss' - net	<u>2,684,306</u>
Profit before taxation	<u><u>5,417,863</u></u>



The revenue and profit or loss of the combined entity's current period of nine months as though the acquisition date for all business combination that occurred during the year had been as of the beginning of annual reporting period i.e from January 01, 2024 til September 30, 2024 as follows:

Operating revenues	649,639,671
Gain on sale of investments-net	144,025,821
Administrative and general expenses	(476,879,507)
Other income/ (charges)- net	(3,934,968)
Income on margin finance	132,415,489
Financial charges	(127,608,467)
Gain / (loss) on re-measurement of investments categorised as 'fair value through profit or loss' - net	24,179,889
Profit before taxation	<u>341,837,928</u>

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed. These condensed interim financial statements do not include all of the information required of full annual financial statements and should be read in conjunction with the financial statements of IMS and the company for the year ended December 31, 2023.

These condensed interim financial statements are un-audited and are being submitted to the shareholders in accordance with the requirements of section 237 of the Companies Act, 2017. These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

2.2 Basis of measurement

These condensed interim financial statements have been prepared under the historical cost convention except as stated otherwise.

2.3 Accounting estimates and judgements

In preparing these interim financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied in the annual financial statements of the Company as at and for the year ended December 31, 2023.

2.4 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended December 31, 2023.



	<u>Un - audited</u> <u>September</u> <u>30, 2024</u>	<u>Un - audited</u> <u>December</u> <u>31, 2023</u>
3 PROPERTY AND EQUIPMENT		
Opening book value	22,656,021	24,086,194
Add: upon merger	37,796,270	-
Add: Additions during the period	54,392,578	4,044,948
Less: Disposals during the period (at book value)	<u>(1,079,917)</u>	<u>(2,087,582)</u>
Depreciation charged during the period	<u>(6,944,954)</u>	<u>(3,387,539)</u>
	(8,024,871)	(5,475,121)
Closing book value	<u><u>106,819,998</u></u>	<u><u>22,656,021</u></u>

	<u>Un - audited</u> <u>September</u> <u>30, 2024</u>	<u>Un - audited</u> <u>December</u> <u>31, 2023</u>
4 RIGHT-OF-USE ASSETS		
Opening book value	19,933,746	-
Add: additions during the period	49,245,500	23,768,475
less: depreciation charged during the period	<u>(7,323,758)</u>	<u>(3,834,729)</u>
Closing book value	<u><u>61,855,488</u></u>	<u><u>19,933,746</u></u>
5 LONG-TERM INVESTMENTS		
At Fair value through other comprehensive income	5.1 29,720,663	-
Coastal Company Limited - unquoted public company	5.2 30,127,296	30,127,296
	<u><u>59,847,959</u></u>	<u><u>30,127,296</u></u>

5.1 Description of investments are as follows:

<u>30-Sep-24</u>	<u>31-Dec-23</u>			<u>30-Sep-24</u>	<u>31-Dec-23</u>		
Number of Shares		Name of Investee Companies	Note	Cost	Carrying Value	Cost	Carrying Value
				----- Rupees -----			
1,602,953	-	Pakistan Stock Exchange Ltd.	5.1.1	14,031,441	22,409,283	-	-
245,294	-	LSE Capital Limited	5.1.3	2,076,950	821,735	-	-
842,811	-	LSE Ventures Limited	5.1.3	5,923,050	6,489,645	-	-
				<u><u>22,031,441</u></u>	<u><u>29,720,663</u></u>	-	-



5.1.1 The Company has pledged 1,602,953 shares with PSX to fulfil the Base Minimum Capital requirement as per the PSX Regulations. The PSX shares have been revalued at a price of Rs. 13.98 as at reporting date.

5.1.2 Pursuant to the "Approved Scheme of Compromises, Arrangements, Reconstruction and Amalgamation / Merger (Approved Scheme) of LSE Proptech Limited (LSEPL) and Modaraba Al-Mali" sanctioned by Honourable Lahore High Court, the shares of LSEFSL have been merged into LSE Captial Limited [LSECL]. Consequently, company have received 245,294 shares of LSECL against 295,536 shares of LSEPL at a swap ratio of 0.83 per share.

5.1.3 In accordance with the above note 5.3, the Company has pledged the shares of LSECL and LSEVL with PSX to fulfil the Base Minimum Capital requirement. The shares of LSECL and LSEVL have been revalued at a price of Rs. 3.35 per share and Rs. 7.70 per share as at reporting date.

5.2 This represents shares of Coastal Company Limited which were acquired when the collateral relating to short term loan amounting to Rs. 36 million was realized in the form of shares of this NBFC. Shares are in the name of the then Director and not in Company's name in accordance to NBFC Rules 2003. An agreement was made between director and the Company under which the proceeds from sale of investment including gain/(loss) would be rendered back to Company. Shares are blocked but arrangement would be made for conversion into marketable lot and disposal in accordance to NBFC Rules 2003 as soon as economic condition of the above NBFC improves.

6 AUTHORIZED CAPITAL

As stated in Note 1.1 to these financial statements, under the scheme of amalgamation/ merger, EFG Hermes (EFGH) will increase its authorized share capital from PKR 1,000,000,000 (Pak Rupees One Billion) to PKR 2,000,000,000 (Pak Rupees Two Billion), divided into 200,000,000 shares of PKR 10 each. For accounting purposes and in accordance with IFRS 3, this increase in authorized share capital is treated as if it had been issued immediately prior to the business combination as of 31 December 2023. Consequently, the Memorandum and Articles of Association will be amended to reflect the enhanced authorized capital of EFG Hermes.

		<u>Un - audited</u> <u>September</u> <u>30, 2024</u>	<u>(Restated)</u> <u>Un - audited</u> <u>December</u> <u>31, 2023</u>
7 ISSUED, SUBSCRIBED AND PAID-UP CAPITAL	Note	Rupees	Rupees
Par value of the issued, subscribed and paid up capital	7.1	1,287,510,240	1,087,353,740
Swap ratio adjustment as a result of Scheme of Merger		-	(583,949,230)
Fair value adjustment of the consideration effectively transferred under IFRS 3		(254,091,318)	-
		<u>1,033,418,922</u>	<u>503,404,510</u>

7.1 Par value of the issued, subscribed and paid up capital

	<u>(Restated)</u> <u>September</u> <u>30, 2024</u>	<u>December</u> <u>31, 2023</u>		<u>(Restated)</u> <u>September</u> <u>30, 2024</u>	<u>December</u> <u>31, 2023</u>
----- (Number of shares) -----			----- Rupees -----		
	50,340,451	50,340,451	Ordinary shares of Rs.10/- each issued:	503,404,510	503,404,510
	20,015,650	-	- as fully paid in cash	200,156,500	-
	58,394,923	58,394,923	- Shares of EFG to be acquired as a result of Merger	583,949,230	583,949,230
	128,751,024	108,735,374	- Swap ratio adjustment as a result of Scheme of Merger	1,287,510,240	1,087,353,740



7.2 As stated in Note 1.1 to these financial statements, EFG Hermes will issue and allot a total of 108,735,374 shares of Rs. 10/- each to the shareholders of IMS at a swap ratio of approximately 2.16 shares of EFG for every 1 share of IMS. In substance, the share capital presented in the financial statements reflects the share capital of IMS, including the equity interests issued by EFG to effect the combination.

The amount recognized in issued equity in these financial statements is determined by adding the shares to be issued by EFG, i.e., 108,735,374 shares, as of the effective date. For accounting purposes and in accordance with IFRS 3, these shares are considered as if issued immediately before the business combination, effectively equating to the fair value of the net assets of IMS. This issuance by EFG under the scheme of amalgamation reflects EFG's share capital, incorporating the equity interests previously issued by IMS to complete the combination.

	<u>Un - audited</u> <u>September</u> <u>30, 2024</u>	<u>(Restated)</u> <u>Un - audited</u> <u>December</u> <u>31, 2023</u>
Note	-----	Rupees -----

8 SHORT - TERM RUNNING FINANCE

Habib Bank Limited	8.1	111,846	-
JS Bank Limited	8.2	413,157,044	503,432,605
Bank Al-Habib Limited		<u>18,220,695</u>	<u>70,434,307</u>
		<u>431,489,585</u>	<u>573,866,912</u>

8.1 The Company has running finance facility of Rs. 52 million (December 31, 2023 : Rs. 600 million) under mark-up arrangements. These facilities carry Mark-up at 1 month KIBOR + 0.10% (December 31, 2023: 1 month KIBOR + 0.10%). This arrangement is valid upto April 30, 2025 on a renewal basis. This facility is secured against irrevocable and unconditional financial guarantee(s) provided by a bank in UAE on behalf of EFG Hermes Brokerage Holding (formerly EFG-Hermes Frontier Holding LLC), the Holding Company to the bank. Client(s) securities held as collateral with financial institutions were nil (December 31, 2023: 'nil').

8.2 Short term running finance facilities are available with the M/s. JS Bank Limited, under mark-up arrangements, amounting to Rs. 980 million (2023: Rs. 680 million) and with M/s Bank Al Habib Limited amounting to Rs 300 million (2023: Nil) having maturity date of March 31, 2025 and August 31, 2025 respectively. These running finance facilities carry mark-up ranging from 3 month KIBOR + 2% to 5% (2023: 3 month KIBOR + 2% to 5%) calculated on a daily product basis that is payable quarterly. These arrangements are secured against pledge of marketable securities and personal guarantee of all directors' holding more than 10% shareholding of the Company.

9 CONTINGENCIES AND COMMITMENTS

9.1 There are no changes in contingent liabilities since the date of financial statements for the year ended December 31, 2023.



	<u>Un-audited September 30, 2024</u>	<u>Un-audited September 30, 2023</u>
	----- Rupees -----	
10 OPERATING REVENUES		
Equity brokerage income	506,774,438	220,029,757
Underwriting & financial advisory services revenue	16,348,783	2,778,525
Dividend income	4,627,997	4,869,638
	<u>527,751,218</u>	<u>227,677,920</u>

11 EARNINGS PER SHARE - BASIC AND DILUTED

	<u>Nine Months Ended</u>		<u>Third Quarter Ended</u>	
	September 30, 2024	(Restated) September 30, 2023	September 30, 2024	(Restated) September 30, 2023
	----- Rupees -----		----- Rupees -----	
Profit after taxation for the period	<u>277,838,333</u>	<u>16,761,962</u>	<u>100,288,391</u>	<u>66,233,760</u>
	----- Number of shares -----			
Weighted average number of ordinary shares outstanding during the period	<u>115,407,257</u>	<u>108,735,374</u>	<u>128,751,024</u>	<u>108,735,374</u>
	----- Rupees -----			
Earnings per share - basic and diluted	<u>2.41</u>	<u>0.15</u>	<u>0.78</u>	<u>0.61</u>

12 RELATED PARTY TRANSACTIONS

The related parties comprise of major shareholders, associated companies with or without common directors, directors of the Company and key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the entity. The Company considers all members of their management team, including the Chief Executive Officer and Directors to be its key management personnel. Remuneration and benefits to Executives of the Company are in accordance with the terms of the employment. Transactions with other related parties are entered into at rates negotiated with them.

Details of transactions with related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:



	<u>Un-audited September 30, 2024</u>	<u>Un-audited September 30, 2023</u>
	----- Rupees -----	
Brokerage income earned from:		
Directors	<u>1,102,545</u>	<u>798,885</u>
Employees	<u>48,375</u>	<u>20,659</u>
Associate	<u>2,366,242</u>	<u>3,433,121</u>
Transactions		
Contribution to employees provident fund	<u>1,938,978</u>	<u>2,928,184</u>
Salaries and remuneration to Chief Executive Officer	<u>7,380,195</u>	<u>11,947,540</u>
Fee to Non-Executive Director (Independent)	<u>150,000</u>	<u>100,000</u>
Balances		
Payable to directors in their shares trading accounts	<u>1,197,688</u>	<u>18,174,775</u>
Payable to employees in their shares trading account	<u>29,275</u>	<u>127,686</u>
Receivables from directors in their shares trading account	<u>40,394,585</u>	<u>-</u>
Receivables from employees in their shares trading account	<u>616</u>	<u>233</u>
Balances of the holding company		
Payable to EFG Hermes Brokerage Holding (formerly EFG Hermes Frontier Holdings LLC)	<u>18,162,798</u>	<u>17,089,846</u>
Contribution from a related party	<u>177,824,905</u>	<u>144,824,905</u>

13 DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements have been authorized for issue on October 29, 2024 by the Board of Directors of the Company.

14 GENERAL

Figures in these condensed interim financial statements have been rounded off to the nearest rupee. Prior year's figures in these financial statements have been re-arranged / re-classified, where necessary, for better presentation.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER



PATTERN OF SHAREHOLDING

As on September 30, 2024

[Sub-Regulation 2(e) of Regulation 34 under chapter IV
of Securities Brokers (Licensing and Operation)
Regulations, 2016]

SHAREHOLDERS HOLDING 5% OR MORE OF THE VOTING SHARES/INTRESTS IN THE COMPANY			
Names	Number of Shareholders	Number of Shares Held	% of Shareholding
EFG-Hermes Frontiers Holdings LLC	1	10,207,982	51.00
Mr. Imran	1	3,358,993	16.78
Mr. Azneem Bilwani	1	1,076,001	5.38

CHANGES IN SHAREHOLDINGS HOLDING ABOVE 5%			
Names	Holding Balance as at June 30, 2024	Holding Balance as at September 30, 2024	Changes
EFG-Hermes Frontiers Holdings LLC	10,207,982	10,207,982	-
Mr. Imran	1,643,118	3,358,993	1,715,875
Mr. Azneem Bilwani	1,076,001	1,076,001	-



EFG HERMES PAKISTAN LIMITED
Office # 904, 9th Floor,
Emerald Tower, Plot No. G-19,
Block-5, Clifton, Karachi, Pakistan

WWW.EFGHERMES.COM