



LSE FINANCE

HALF-YEARLY REPORT

DEC 31, 2025

COMPANY INFORMATION

Board of Directors

| | |
|-----------------------------|-------------------------|
| 1. Mr. Muhammad Iqbal | Chairman |
| 2. Mr. Aftab Ahmad Ch. | Chief Executive Officer |
| 3. Ms. Aasiya Riaz | Director |
| 4. Syed Jawwad Ahmad | Director |
| 5. Mr. Hafiz Muddassir Alam | Director |
| 6. Mr. Sohail Ahmed Awan | Director |
| 7. Vacant | Director |

Audit Committee

| | |
|-----------------------------|----------|
| 1. Mr. Muhammad Iqbal | Chairman |
| 2. Mr. Hafiz Muddassir Alam | Member |
| 3. Mr. Sohail Ahmed Awan | Member |

Human Resource and Remuneration Committee

| | |
|----------------------|-------------|
| 1. Vacant | Chairperson |
| 2. Ms. Aasiya Riaz | Member |
| 3. Syed Jawwad Ahmad | Member |

Company Secretary

Mr. Muhammad Sajjad Hyder

Chief Financial Officer

Mr. Shahid Nadeem

Auditors

Ilyas Saeed & Co. Chartered Accountant

Legal Advisor

Sayeed, Hfeez & Mirza Advocates

Share Registrar

CDC Share Registrar Services Limited
CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi-74400.

Bankers

MCB Bank Limited
Bank Al Habib Limited
Habib Bank Limited
Bank Al Falah Limited

Registered Office

The Exchange Hub, LSE Plaza, 19-Khayaban-e- Aiwan-e-Iqbal,
Lahore.

DIRECTORS' REVIEW

Dear Shareholders,

On behalf of the Board of Directors, we are pleased to present the Company's Condensed Interim Financial Statements for the half-year period ending December 31st, 2025, as reviewed.

During the half-year ended December 31, 2025, Pakistan's economy continued its transition from stabilization to a moderate recovery phase, underpinned by improved macroeconomic indicators and sustained policy reforms. The country witnessed a pickup in economic activity, with GDP growth recording 3.71% in Q1-FY26, driven largely by a resurgence in the industrial and agricultural sectors. A notable achievement was the significant deceleration in headline inflation, which eased to approximately 5.6% YoY in December 2025, allowing the State Bank of Pakistan to continue its monetary easing cycle by reducing the Policy Rate to 10.5%. On the external front, while the trade deficit widened slightly due to import normalization, resilient worker remittances and official inflows helped maintain foreign exchange reserves above the \$15.8 billion mark, ensuring currency stability. Despite these positive trends, the operating environment remained challenging due to elevated energy costs and global trade headwinds, necessitating a cautious approach to cost management and operational efficiency.

The shareholders in the EOGM dated December 28, 2024 had approved the Scheme of Compromises, Arrangement, and Reconstruction of LSE Financial Services Limited and Digital Custodian Company Limited (DCCL). Afterwards, the Honorable Lahore High Court vide its Order under C/o 75382/2024 dated October 13, 2025 sanctioned the Scheme. As per the sanctioned Scheme, the distribution of the shares of LSECL and shares of LSEFSL held by DCCL has been distributed to the shareholders of both LSEFSL and DCCL. The share capital of LSEFSL has also been restructured through reduction in the authorized and paid-up capital as per the sanctioned scheme.

Financial Performance - LSEFSL

The financial highlights of the half yearly reviewed Condensed Interim Financial Statements of the Company for the period ended December 31st, 2025, in comparison with the corresponding period of previous year are as follows:

| Financial Highlights | Dec-25 | Dec-24 |
|-------------------------------|------------------------|----------------|
| | Rupees in "000" | |
| Operating Income | 14,031 | 15,931 |
| Other Income | 4,748 | 12,070 |
| Share of profit of Associates | 1,461 | 6,542 |
| Admin & General Expenses | (51,127) | (20,321) |
| Finance Cost | (1,042) | (119) |
| Profit before Taxation | (31,929) | 14,103 |
| Taxation | (4,222) | (3,850) |
| Net Profit | (36,152) | 10,253 |
| Equity + Revaluation Surplus | 249,957 | 456,979 |
| Total Asset | 319,393 | 489,181 |
| Net Asset | 249,957 | 456,980 |
| Total Liability | 69,435.80 | 32,201.13 |
| Shares outstanding (Nos.) | 27,000 | 35,678 |
| Earnings per share EPS | (1.34) | 0.38 |

Management is actively pursuing a range of high-potential business opportunities, carefully evaluating each for strategic fit and long-term value. Focus remains on investments and initiatives that can drive sustainable growth, enhance shareholder value, and position the Company as a dynamic player in the evolving financial and investment landscape.

A handwritten signature in black ink, appearing to be "Abdul" followed by a stylized flourish.

Chief Executive Officer

February 27, 2026

A handwritten signature in blue ink, appearing to be "Abdul" followed by a stylized flourish.

Director

ڈائریکٹرز کا جائزہ

معزز شیئر ہولڈرز،

بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 دسمبر 2025 کو ختم ہونے والی ششماہی مدت کے لیے کمپنی کے کنڈینسڈ عبوری مالیاتی بیانات پیش کرتے ہوئے خوشی ہو رہی ہے، جیسا کہ جائزہ لیا گیا۔

31 دسمبر 2025 کو ختم ہونے والے ششماہی کے دوران، پاکستان کی معیشت نے استحکام سے اعتدال پسند بحالی کے مرحلے میں اپنی منتقلی جاری رکھی، جس کی بنیاد بہتر میکرو اکنامک اشارے اور پائیدار پالیسی اصلاحات ہیں۔ ملک نے معاشی سرگرمیوں میں تیزی دیکھی، مالی سال 26 کی پہلی سہ ماہی میں جی ڈی پی کی شرح نمو 3.71 فیصد ریکارڈ کی گئی، جس کی وجہ صنعتی اور زرعی شعبوں میں بحالی ہے۔ ایک قابل ذکر کامیابی ہیڈ لائن افراط زر میں نمایاں کمی تھی، جو دسمبر 2025 میں تقریباً 5.6% سالانہ تک کم ہو گئی، جس سے اسٹیٹ بینک آف پاکستان کو پالیسی ریٹ کو 10.5% تک کم کر کے اپنا مائیکرو اینڈنگ سائیکل جاری رکھنے کی اجازت ملی۔ بیرونی محاذ پر، جب کہ درآمدات کو معمول پر لانے کی وجہ سے تجارتی خسارہ قدرے بڑھ گیا، محنت کشوں کی ترسیلات زر اور سرکاری آمدنے زرمبادلہ کے ذخائر کو 15.8 بلین ڈالر سے اوپر برقرار رکھنے میں مدد کی، جس سے کرنسی کے استحکام کو یقینی بنایا گیا۔ ان مثبت رجحانات کے باوجود، توانائی کے بڑھتے ہوئے اخراجات اور عالمی تجارتی سرگرمیوں کی وجہ سے آپریٹنگ ماحول چیلنجنگ رہا، لاگت کے انتظام اور آپریشنل کارکردگی کے لیے محتاط انداز اپنانے کی ضرورت ہے۔

28 دسمبر 2024 کو ای او جی ایم میں شیئر ہولڈرز نے ایل ایس ای فنانشل سروسز لمیٹڈ اور ڈیجیٹل کسٹوڈین کمپنی لمیٹڈ (ڈی سی سی ایل) کے سمجھوتہ، بندوبست، اور تعمیر نو کی اسکیم کو منظوری دی تھی۔ اس کے بعد، معزز لاہور ہائی کورٹ نے C/o 75382/2024 مورخہ 13 اکتوبر 2025 کے تحت اپنے حکم نامے کے ذریعے اسکیم کی منظوری دی۔ منظور شدہ اسکیم کے مطابق، ایل ایس ای سی ایل کے حصص اور ڈی سی سی ایل کے پاس ایل ایس ای ایف ایل کے حصص کی تقسیم ایل ایس ای ایف ایل ایل اور ڈی سی سی ایل دونوں کے شیئر ہولڈرز میں تقسیم کر دی گئی ہے۔ منظور شدہ اسکیم کے مطابق مجاز اور ادا شدہ سرمائے میں کمی کے ذریعے ایل ایس ای ایف ایل کے شیئر کیپٹل کی بھی تشکیل نو کی گئی ہے۔

مالی کارکردگی - ایل ایس سی ایف ایس ایل

31 دسمبر کو ختم ہونے والی مدت کے لیے کمپنی کے ششماہی نظر ثانی شدہ کنڈینسڈ عبوری مالیاتی بیانات کی مالی جھلکیاں 2025st، پچھلے سال کی اسی مدت کے مقابلے میں درج ذیل ہیں:

Financial Highlights

| | Dec-25 | Dec-24 |
|-------------------------------|-----------------|----------------|
| | Rupees in "000" | |
| Operating Income | 14,031 | 15,931 |
| Other Income | 4,748 | 12,070 |
| Share of profit of Associates | 1,461 | 6,542 |
| Admin & General Expenses | (51,127) | (20,321) |
| Finance Cost | (1,042) | (119) |
| Profit before Taxation | (31,929) | 14,103 |
| Taxation | (4,222) | (3,850) |
| Net Profit | (36,152) | 10,253 |
| Equity + Revaluation Surplus | 249,957 | 456,979 |
| Total Asset | 319,393 | 489,181 |
| Net Asset | 249,957 | 456,980 |
| Total Liability | 69,435.80 | 32,201.13 |
| Shares outstanding (Nos.) | 27,000 | 35,678 |
| Earnings per share EPS | (1.34) | 0.38 |

انتظامیہ فعال طور پر اعلیٰ ممکنہ کاروباری مواقع کی ایک رینج کا تعاقب کر رہی ہے، ہر ایک کا سٹریٹجک فٹ اور طویل مدتی قدر کے لیے احتیاط سے جائزہ لے رہی ہے۔ سرمایہ کاری اور اقدامات پر توجہ مرکوز رکھی جاتی ہے جو پائیدار ترقی کو آگے بڑھا سکتے ہیں، شیئرز ہولڈرز کی قدر میں اضافہ کر سکتے ہیں، اور ترقی پذیر مالیاتی اور سرمایہ کاری کے منظر نامے میں کمپنی کو ایک متحرک کھلاڑی کے طور پر پوزیشن میں رکھ سکتے ہیں۔



ڈائریکٹر



چیف ایگزیکٹو آفیسر

27 فروری 2026

LSE Financial Services Limited
Interim Financial Statements
For the Half Year Ended 31 December 2025

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF LSE FINANCIAL SERVICES LIMITED
REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **LSE Financial Services Limited** (the Company) as at 31 December 2025 and the related condensed interim statement of profit or loss, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity, condensed interim statement of cash flows and notes to the financial statements for the half year then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Statements Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting.

Other Matters

The figures of the condensed interim statement of profit or loss and condensed interim statement of other comprehensive income for the quarter ended 31 December 2025 and 31 December 2024 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2025.

The condensed interim financial statements of the Company for the half year ended 31 December 2024 and the annual financial statements of the Company for the year ended 30 June 2025 were reviewed and audited by another firm of chartered accountants who vide their reports dated 25 February 2025 and 01 November 2025 expressed an unmodified conclusion and opinion thereon respectively.

The engagement partner on the review resulting in this independent auditor's review report is Bushra Sana.



Ilyas Saeed & Co.
Chartered Accountants
Lahore

Dated: 27 February 2026
UDIN: RR202510278XGmetLf0Q

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT DECEMBER 31, 2025

| ASSETS | Note | December 31, 2025 (Un-audited) | June 30, 2025 (Audited) |
|---|------|--------------------------------------|-------------------------------|
| (Rupees in thousand) | | | |
| Non-Current Assets | | | |
| Investment in associates | 5 | 214,766 | 384,775 |
| Loan to director | 6 | 3,479 | 3,044 |
| Long term deposits | | 5,009 | 5,009 |
| Goodwill arising on scheme | | 32,125 | - |
| | | 255,379 | 392,828 |
| Current Assets | | | |
| Receivables, advances and prepayments | 7 | 4,427 | 40,805 |
| Income tax refunds due from Government - net | | 48,061 | 45,521 |
| Cash and bank balances | | 11,526 | 10,027 |
| | | 64,014 | 96,353 |
| | | 319,393 | 489,181 |
| EQUITY AND LIABILITIES | | | |
| SHARE CAPITAL AND RESERVES | | | |
| Authorized share capital | | | |
| 42,900,000 (June 30, 2025: 111,900,000) ordinary shares of Rs. 10 each | 8.1 | 429,000 | 1,119,000 |
| Share capital | | | |
| Issued, subscribed and paid-up share capital | 8.2 | 270,000 | 356,776 |
| Share premium | | - | 31,355 |
| Fair value reserve | | - | 2,897 |
| Un-appropriated profits | | (20,043) | 65,951 |
| Total equity | | 249,957 | 456,979 |
| Non-Current Liabilities | | | |
| Long term financing | 9 | - | - |
| Deferred tax liability | | 3,714 | 7,391 |
| | | 3,714 | 7,391 |
| Current Liabilities | | | |
| Trade and other payables | 10 | 50,816 | 8,943 |
| Current portion of long term financing | 9 | 1,058 | 2,020 |
| Unpaid dividend | | 27 | 27 |
| | | 51,901 | 10,990 |
| Deposits payable related to discontinued operations | 11 | 13,821 | 13,821 |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 12 | - | - |
| | | 319,393 | 489,181 |

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

ISCW


Chief Executive Officer


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025

| | Note | Half Year Ended | | Quarter Ended | |
|--|------|--------------------|----------|--------------------|----------|
| | | 2025 | 2024 | 2025 | 2024 |
| | | —(Un-audited)— | | —(Un-audited)— | |
| | | Rupees in thousand | | Rupees in thousand | |
| Revenue | 13 | 14,031 | 15,931 | 6,769 | 7,030 |
| Other Income | | 4,748 | 12,070 | 2,291 | 5,410 |
| Operating Expenses | | | | | |
| Administrative and general expenses | | (51,127) | (20,321) | (24,464) | (11,879) |
| Operating Profit / (Loss) | | (32,348) | 7,680 | (15,404) | 561 |
| Finance cost | | (1,042) | (119) | (1,005) | (46) |
| Share of profit of associates accounted for using the equity method - net of tax | | 1,461 | 6,542 | (728) | 4,304 |
| Profit / (loss) before Taxation and levy | | (31,930) | 14,103 | (17,137) | 4,819 |
| Levy | 14 | (509) | (2,316) | 1,484 | (1,354) |
| Profit / (Loss) before Taxation | | (32,439) | 11,787 | (15,653) | 3,465 |
| Taxation | 15 | (3,714) | (1,534) | 3,714 | (1,534) |
| Profit / (Loss) after Taxation | | (36,152) | 10,253 | (11,939) | 1,931 |
| Earnings Per Share (basic and diluted) - Restated | 16 | (1.34) | 0.38 | (0.44) | 0.07 |

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

ISCO


Chief Executive Officer


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025

| | Half Year Ended | | Quarter Ended December | |
|--|----------------------|---------------|------------------------|--------------|
| | 2025 | 2024 | 2025 | 2024 |
| | ----(Un-audited)---- | | ----(Un-audited)---- | |
| | Rupees in thousand | | Rupees in thousand | |
| Profit / (loss) for the period | (36,152) | 10,253 | (11,939) | 1,931 |
| Other comprehensive income | | | | |
| <i>Items that may be classified to profit or loss:</i> | | | | |
| <i>Items that may not be classified to profit or loss:</i> | | | | |
| Share of other comprehensive income from associate | - | 1,625 | - | 1,625 |
| Less: Deferred tax | - | (244) | - | (244) |
| | - | 1,381 | - | 1,381 |
| Total comprehensive income / (loss) for the period | <u>(36,152)</u> | <u>11,634</u> | <u>(11,939)</u> | <u>3,312</u> |

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

ISCO


Chief Executive Officer


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

| | Share capital | Share premium | Fair Value reserve | Unappropriated profit | Total equity |
|---|----------------|---------------|--------------------|-----------------------|----------------|
| -----Rupees in thousands----- | | | | | |
| Balance as at June 30, 2024 (Audited) | 356,776 | 31,355 | - | 65,605 | 453,736 |
| Profit for the period | - | - | - | 10,253 | 10,253 |
| Other comprehensive income | - | - | 1,381 | - | 1,381 |
| Total comprehensive income for the period | - | - | 1,381 | 10,253 | 11,634 |
| Transactions with owner: | | | | | |
| Cash dividends of Rs. 0.50 per share for the year ended June 30, 2024 (Final) | - | - | - | (17,680) | (17,680) |
| Balance as at Dec 31, 2024 (Un-audited) | 356,776 | 31,355 | 1,381 | 58,178 | 447,690 |
| Balance as at June 30, 2025 (Audited) | 356,776 | 31,355 | 2,897 | 65,951 | 456,979 |
| Profit for the period | - | - | - | (36,152) | (36,152) |
| Other comprehensive income | - | - | - | - | - |
| Total comprehensive income for the period | - | - | - | (36,152) | (36,152) |
| Adjustments / transfers as per scheme of merger | (86,776) | (31,355) | (2,897) | (49,842) | (170,870) |
| Balance as at December 31, 2025 (Un-audited) | 270,000 | - | - | (20,043) | 249,957 |

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

ISCO


Chief Executive Officer


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2025

| | Half Year Ended December 31, | |
|---|------------------------------|-----------------|
| | 2025 | 2024 |
| | ----(Un-audited)---- | |
| | Rupees in thousands | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before levy and taxation | (31,930) | 14,103 |
| Adjustments for: | | |
| - Gain on disposal of property and equipment | - | - |
| - Return on bank deposits | (460) | (6,329) |
| - Unrealized fair value loss on investment | - | - |
| - Share of profit of associates | (1,461) | (6,542) |
| - Unwinding of discounting | (841) | (1,250) |
| - Finance cost | 1,042 | 119 |
| | <u>(1,719)</u> | <u>(14,002)</u> |
| Operating profit / (loss) before working capital changes | (33,649) | 101 |
| <i>(Increase) / decrease in current assets:</i> | | |
| - Trade and other receivables | 36,378 | (26,049) |
| <i>Increase / (decrease) in current liabilities:</i> | | |
| - Trade and other payables | 41,873 | (43) |
| - Deposits payable related to discontinued operations | - | (30) |
| Net Cash Used in Changes in Working Capital | 78,251 | (26,122) |
| Cash Used in Operations | 44,602 | (26,021) |
| Employees' welfare fund paid | - | - |
| Earned leaves paid | - | - |
| Finance cost paid | (1,042) | (119) |
| Income tax paid | (3,049) | (5,360) |
| Net Cash Used in Operating Activities | 40,512 | (31,500) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Investments made during the period | - | (984,296) |
| Investments matured during the period | - | 1,043,885 |
| Loan to director | 7,951 | 5,760 |
| Dividend received from associates | - | 5,000 |
| Profit received on savings bank accounts | 460 | 8,528 |
| Net Cash Generated from / (Used in) Investing Activities | 8,410 | 78,877 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividend paid | - | (15,000) |
| Loan from associated companies for investment in MTS | - | (17,645) |
| Repayment of long term financing | (962) | (962) |
| Advance to associates-net | (46,462) | - |
| Net Cash (Used in) / Generated from Financing Activities | (47,424) | (33,607) |
| Net Increase / decrease in Cash and Cash Equivalents | 1,499 | 13,770 |
| Cash and cash equivalents at the beginning of the period | 10,027 | 23,443 |
| Cash and cash equivalents at the end of the period | 11,526 | 37,213 |

The annexed notes 1 to 20 form an integral part of these condensed interim financial statements.

ISC0


Chief Executive Officer


Chief Financial Officer


Director

LSE FINANCIAL SERVICES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR AND QUARTER ENDED DECEMBER 31, 2025

1 CORPORATE AND GENERAL INFORMATION

1.1 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 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;
- Provisions of and directives issued under the Companies Act, 2017; and
- Provisions of the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the

Where the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, and the NBFC Regulations have been followed.

- 2.2** These condensed interim financial statements have been reviewed by the external auditors of the Company and should be read in conjunction with audited annual financial statements of the Company for the year ended June 30, 2025.

3 MATERIAL ACCOUNTING POLICY INFORMATION

The material accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are consistent with those applied in the preparation of audited annual financial statements for the year ended June 30, 2025.

3.2 Change in accounting standards, interpretations and amendments to published accounting and reporting standards

a) Amendments to published accounting & reporting standards which became effective during the

There were certain amendments to accounting and reporting standards which became mandatory for the Company during the period. However, the amendments did not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

b) Amendments to published accounting and reporting standards that are not yet effective:

There are certain amendments to the accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after January 1, 2025. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial statements.

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4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

When preparing the condensed interim financial statements, management undertakes a number of judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results. The judgments, estimates and assumptions applied in the condensed interim financial statements, including the key sources of estimation uncertainty, were the same as those applied in the Company's last audited annual financial statements for the year ended June 30, 2025. The only exceptions are the estimate of income tax liabilities which is determined in these condensed interim financial statements using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

5 INVESTMENT IN ASSOCIATES

| | | December 31, 2025 | June 30, 2025 |
|--|------|----------------------|------------------|
| | Note | Un-audited | Audited |
| Rupees in thousand | | | |
| Under Equity Method | | | |
| LSE Capital Limited (LSECL) | 5.1 | - | 171,469 |
| Digital Custodian Company Limited (DCCL) | 5.2 | 214,766 | 213,306 |
| | | <u>214,766</u> | <u>384,775</u> |

5.1 LSE Capital Limited

LSE Capital Limited ("LSECL") (formerly Bank Islami Modaraba Investments Limited) was incorporated in Pakistan on January 22, 1986, as an unlisted public limited company under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017). Subsequently, it was registered as a Modaraba Company with the Registrar of Modaraba Companies and Modarabas, under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980. The registered office of the Company is situated at LSE Plaza, Khayaban-e-Aiwan-Iqbal Road Lahore. Pursuant to the order of the Honorable Lahore High Court (C.O. No. 75382/2025) dated October 13, 2025, the Scheme of Compromises, Arrangement, and Reconstruction between LSE Financial Services Limited (LSEFSL) and Digital Custodian Company Limited (DCCL) has been duly sanctioned. Under the approved Scheme, the Court has authorized for the distribution of shares of LSE Capital Limited (LSECL) held by the Company to its shareholders.

5.2 Digital Custodian Company Limited

Digital Custodian Company Limited ("DCCL") was incorporated on February 12, 1992 under the repealed Companies Ordinance, 1984 (now the Companies Act, 2017) as a private limited company. The status of the Company was converted from private limited company to unlisted public limited company on June 19, 2009. The registered office of the company is located at the Exchange Hub, LSE Plaza, Aiwan-e-Iqbal Road, Lahore. These shares were acquired by the Company under the Scheme of Arrangement sanctioned by the Honorable Lahore High Court on April 3, 2024. These shares are transferable to LSE Capital against the settlement of the acquisition of the listing status from Modaraba Al-Mali.

Reconciliation of changes in carrying value of investments in associates:

| | December 31, 2025 | | |
|---|-------------------|-------------------|----------------|
| | LSECL | DCCL | Total |
| Rupees in thousand | | | |
| Balance as at July 01, 2025 | - | 213,306 | 213,306 |
| Scheme impact | | - | - |
| Share of total income / (loss) | - | 1,461 | 1,461 |
| Share of total comprehensive income / (loss) | - | - | - |
| Dividend received during the period | - | - | - |
| Balance as at December 31, 2025 | <u>-</u> | <u>214,766</u> | <u>214,766</u> |
| No. of shares held | <u>-</u> | <u>14,401,436</u> | |
| Shareholding in % age | <u>0.00%</u> | <u>36.00%</u> | |

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LSE FINANCIAL SERVICES LIMITED

| | June 30, 2025 | | |
|--|--------------------------------|-------------------|----------------|
| | LSECL | DCCL | Total |
| | ----- Rupees in thousand ----- | | |
| Balance as at June 30, 2024 | 161,010 | 210,890 | 371,900 |
| Share of total income / (loss) | 13,044 | 1,424 | 14,468 |
| Share of total comprehensive income / (loss) | 2,415 | 992 | 3,407 |
| Dividend received during the period | (5,000) | - | (5,000) |
| Balance as at June 30, 2025 | <u>171,469</u> | <u>213,306</u> | <u>384,775</u> |
| No. of shares held | <u>10,000,000</u> | <u>18,817,917</u> | |
| Shareholding in % age | <u>5.52%</u> | <u>36.00%</u> | |

6 LOAN TO DIRECTOR

| | Note | December 31, 2025 | June 30, 2025 |
|-------------------------------|------|----------------------|------------------|
| | | (Un-audited) | (Audited) |
| Rupees in thousand | | | |
| Loan to director | 6.1 | 3,479 | 10,588 |
| Less: current portion of loan | | - | (7,544) |
| | | <u>3,479</u> | <u>3,044</u> |

6.1 Movement in loan to director

| | | |
|---------------------------|---------------|---------------|
| Opening balance | 10,588 | 23,812 |
| Disbursements | - | - |
| Less: Discounting of loan | - | - |
| | <u>10,588</u> | <u>23,812</u> |
| Unwinding of discounting | 841 | 3,922 |
| Receipts | (7,951) | (17,146) |
| Closing balance | <u>3,479</u> | <u>10,588</u> |

6.1.1 This represents loan provided to the Executive Director Mr. Aftab Ahmed of the Company as per Company's policy. The loan provided is secured against pledged shares of Mr. Aftab Ahmed. This is repayable in 5 years and carries markup @ 12% per annum. The effective interest is 21.97% per annum.

7 RECEIVABLES, ADVANCES AND PREPAYMENTS

| | Note | December 31, 2025 | June 30, 2025 |
|-------------------------------------|------|----------------------|------------------|
| | | (Un-audited) | (Audited) |
| Rupees in thousand | | | |
| Receivables | | 4,427 | 2,959 |
| Due from related parties | 7.1 | - | 30,302 |
| Current portion of loan to director | | - | 7,544 |
| | | <u>4,427</u> | <u>40,805</u> |

7.1 Due from related parties

| | | |
|-----------------------------------|----------|---------------|
| LSE Capital Limited | - | 26,572 |
| LSE Ventures Limited | - | 206 |
| Digital Custodian Company Limited | - | 3,524 |
| | <u>-</u> | <u>30,302</u> |

8 SHARE CAPITAL

8.1 AUTHORIZED SHARE CAPITAL

Authorized share capital comprises of 42,900,000 (June 30, 2025: 111,900,000) Ordinary shares of Rs. 10 each.

| | | |
|-------|----------------|------------------|
| 8.1.1 | <u>429,000</u> | <u>1,119,000</u> |
|-------|----------------|------------------|

8.1.1 During the period, the Company has reduced its authorized share capital from Rs. 1.119 billion (111 million ordinary shares at Rs. 10 each) to Rs. 429 million (42.9 million ordinary shares at Rs. 10 each) as approved by its shareholders in their general meeting held on November 27, 2025.

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8.2 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL

| December 31, 2025 | June 30, 2025 | Note | December 31, 2025 | June 30, 2025 |
|----------------------|------------------|-------|----------------------|------------------|
| Un-Audited | Audited | | Un-Audited | Audited |
| (Number of shares) | | | (Rupees in thousand) | |
| 27,000,000 | 35,677,578 | 8.2.1 | 270,000 | 356,776 |

Ordinary shares of Rs. 10/- each issued for consideration other than cash

Reconciliation of changes in number of shares is as follows:

| | |
|---|----------------|
| Opening balance (as at 30.06.2025) | 356,776 |
| Under the Scheme dated April 03, 2024: | |
| Shares issued during the period | - |
| Share capital reduced during the period | (86,776) |
| Closing balance (as at 31.12.2025) | <u>270,000</u> |

8.2.1 Pursuant to the order of the Honorable Lahore High Court (C.O. No. 75382/2025) dated October 13, 2025, and in accordance with the approved Scheme, the Court has authorized and approved the reconstruction of the Company's share capital and reserves. Consequently, the capital has reduced to PKR 270,000,000, representing 27,000,000 ordinary shares of PKR 10 each.

9 LONG TERM FINANCING

| | Note | December 31, 2025 | June 30, 2025 |
|-----------------------|------|----------------------|------------------|
| | | (Un-audited) | (Audited) |
| | | Rupees in thousand | |
| Bank Al Habib Limited | | 1,058 | 2,020 |
| Less: Current portion | | <u>1,058</u> | <u>2,020</u> |
| | | - | - |

9.1 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.

10 TRADE AND OTHER PAYABLES

| | Note | December 31, 2025 | June 30, 2025 |
|-------------------------------------|------|----------------------|------------------|
| | | Un-audited | Audited |
| | | Rupees in thousand | |
| Trade creditors | | 827 | 1,298 |
| Due to related parties | 10.1 | 43,722 | - |
| Accrued liabilities | | 2,621 | 2,173 |
| Punjab Workers Welfare Fund payable | | 2,345 | 2,345 |
| Withholding tax payable | | 387 | 3,064 |
| Sales tax payable | | 902 | 51 |
| Accrued mark-up | | 13 | 12 |
| | | <u>50,816</u> | <u>8,943</u> |
| 10.1 Due to related parties | | | |
| LSE Capital Limited | | 43,722 | - |
| | | <u>43,722</u> | - |

This represents amounts due to related parties in the normal course of business and payable on demand. These balances are unsecured and carry a markup @ 6-month KIBOR+1% as approved in the meeting of members of the Company.

11 DEPOSITS PAYABLE RELATED TO DISCONTINUED OPERATIONS

These amounts relate to the discontinued operations of the Company. Together with this amount, some quantity of listed and unlisted shares are also held by the Company on off-balance sheet basis. Together, the same are to be accounted for in the balance sheet of LSE Capital from FY 2026.

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12 CONTINGENCIES AND COMMITMENTS**Contingencies**

There are no significant changes in the status of contingencies as reported in the audited annual financial statements of the company for the year ended June 30, 2025, except;

The Company has not provided for the provision against Punjab Workers Welfare Fund (WWF) amounting to Rs. 1.717 million (2024: Rs. 1.515 million) in these condensed interim financial statements on the ground that in accordance with the provisions of Punjab Workers Welfare Fund Act, 2019, the business activities of the Company does not fall in the definition of establishment as defined in the Act and the Company has not employed any workers who are entitled for availing any benefits of WWF. The Company has also taken up the case with The Punjab Revenue Authority (PRA).

Commitments

There are no significant changes in the status of Commitments as reported in the audited annual financial statements of the company for the year ended June 30, 2025.

13 REVENUE

| | Half Year Ended December | | Quarter Ended December 31, | |
|---|--------------------------|---------|----------------------------|---------|
| | 2025 | 2024 | 2025 | 2024 |
| | (Un-audited) | | (Un-audited) | |
| | Rupees in thousand | | Rupees in thousand | |
| Revenue from Margin Trading System of NCCPL | - | 2,250 | - | 0 |
| Fund Management Fee | 16,704 | 16,287 | 8,059 | 8,372 |
| Less: PRA Sales tax | (2,673) | (2,606) | (1,290) | (1,342) |
| | 14,031 | 13,681 | 6,769 | 7,030 |
| Total revenue | 14,031 | 15,931 | 6,769 | 7,030 |

14 LEVY

| | | | | |
|---------|-----|-------|---------|-------|
| Final | - | - | - | - |
| Minimum | 509 | 2,316 | (1,484) | 1,354 |
| | 509 | 2,316 | (1,484) | 1,354 |

15 TAXATION

| | | | | |
|----------|-------|-------|-------|-------|
| Current | | 750 | - | 750 |
| Prior | - | 52 | - | 52 |
| Deferred | 3,714 | 732 | 3,714 | 732 |
| | 3,714 | 1,534 | 3,714 | 1,534 |

16 EARNINGS PER SHARE

| | Half Year Ended December | | Quarter Ended December | |
|--|--------------------------|------------------------|------------------------|------------------------|
| | 2025 | 2024 | 2025 | 2024 |
| | (Un-audited) | | (Un-audited) | |
| Basic & diluted earnings per share | | | | |
| Profit / (loss) after tax (Rs. In '000s) | (36,152,237) | 10,252,744 | (11,939,012) | 1,931,005 |
| Weighted average number of shares outstanding during the period (Number) | 27,000,000 | Restated 27,000,000 | 27,000,000 | Restated 27,000,000 |
| Earnings per share (Rupees) - Basic and diluted - (Rs. per share) | (1.34) | 0.38 | (0.44) | 0.07 |

Comparative for earnings per share has been restated to incorporate the impact of shares split during the period.

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17 TRANSACTIONS WITH RELATED PARTIES

Related parties comprise associated companies / undertakings, companies where directors also hold directorship, retirement benefits fund and key management personnel. Significant balances and transactions with these related parties during the period are as under:

| Name of related parties | Basis of relationship | Transactions during the period | December 31, 2025 | December 31, 2024 |
|--|-------------------------|--|--------------------------|----------------------|
| | | | ----(Un-audited)---- | |
| | | | Rupees in thousand | |
| Transactions during the period | | | | |
| LSE Capital Limited | Associate | Investment in MTS - Principal | - | 183,821 |
| | | Investment in MTS - Principal repayment | - | (201,466) |
| | | Investment in MTS - markup accrued | - | (4,783) |
| | | Equity management fee payable | - | (3,568) |
| | | Markup on intercompany balance | 971 | 230 |
| | | Dividend Received | - | 5,000 |
| | | Payment on behalf of Company | - | (3,020) |
| LSE - Employees' Provident Fund Trust | Employee benefits Trust | Contribution for the period | (547) | (169) |
| Directors | Directors | Meeting fees paid | (450) | (950) |
| Balance outstanding as at | | | December 31, 2025 | June 30, 2025 |
| | | | Un-audited | Audited |
| | | | Rupees in thousand | |
| Receivables, advances and prepayments | | | | |
| Members Contribution fund | | Other receivables due from related parties | 420 | 662 |
| Investor Protection fund | | Other receivables due from related parties | 921 | 1,716 |
| Trading Right Entitlement Certificate Holders Contribution | | Other receivables due from related parties | 1,638 | 2,971 |
| Trade and other payables | | | | |
| | | Receivable from related party | - | 23,274 |
| | | Payable to related party | (43,722) | - |

18 CORRESPONDING FIGURES

In order to comply with the requirements of International Accounting Standard 34 - 'Interim Financial Reporting', corresponding figures in the condensed interim statement of financial position comprise of balances as per the audited annual financial statements of the Company for year ended June 30, 2025 and the corresponding figures in the condensed interim statement of profit or loss, condensed interim statement comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity comprise of balances of comparable period as per the condensed interim financial statements of the Company for the half year ended December 31, 2024.

19 AUTHORIZATION OF FINANCIAL STATEMENTS

These condensed interim financial statements (un-audited) are approved and authorized for issuance on 27 February, 2026 by the Board of Directors of the Company.

20 GENERAL

The figures in these condensed interim financial statements have been rounded off to the nearest thousand Rupee unless otherwise stated.

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Chief Executive Officer


Chief Financial Officer


Director



LSE FINANCE