ADVICE FOR INVESTORS

INVESTMENT IN EQUITY SECURITIES AND EQUITY RELATED SECURITIES INVOLVES A CERTAIN DEGREE OF RISKS. THE INVESTORS ARE REQUIRED TO READ THE RIGHTS SHARE OFFER DOCUMENT (HEREIN REFERRED TO AS '**OFFER DOCUMENT'**) AND RISK FACTORS CAREFULLY, ASSESS THEIR OWN FINANCIAL CONDITIONS AND RISK-TAKING ABILITY BEFORE MAKING THEIR INVESTMENT DECISIONS IN THIS OFFERING.

RIGHT ENTITLEMENT LETTER IS TRADABLE ON PSX, RISKS AND REWARDS ARISING OUT OF IT SHALL BE SOLE LIABILITY OF INVESTORS.

This document is issued for the purpose of providing information to shareholders of the Company and to the public in general in relation to the rights issue of ***Rs.*** **159,000,000,** *consisting of* ***Ordinary Shares*** *of* **159,000,000***by* ***LSE Financial Services Limited****. A copy of this document has been registered with the Securities Exchange.*

This offer document is valid till ***Jan 12, 2027*** *(i.e., 60 days from the last day of payment of subscription amount)*

SCHEDULE I

CIRCULAR UNDER SECTION 83 OF THE COMPANIES ACT, 2017
THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020

RIGHT SHARE - OFFER DOCUMENT

Registered Office: The Exchange Hub, LSE Plaza, 19-Kashmir Egerton Road, Lahore, Pakistan, **Contact Details**: Phone + 92 321 4693229, Email: sajjad@lse.com.pk, **Website**: https://lse.com.pk, Contact Person: Muhammad Sajjad Hyder – Company Secretary, **Date of Incorporation**: 11th January, 2016, Place of Incorporation Lahore, **Company Registration No**. (CUIN): 0003253, **Share Registrar**: FD Registrar Services (Pvt) Ltd., Address: 1705, 17th Floor, Saima Trade Tower-A. I.I. Chundrigar Road, Karachi-74000, Tel: +92-21 32271905-6. Email: fdregistrar@yahoo.com, info@fdregistrar.com website: www.fdregistrar.com.

Circular under Section 83(3) of the Companies Act, 2017 and **Schedule 1** under the Companies (Further Issue of Shares) Regulations, 2020 for issue of **159,000,000** (One Hundred Fifty-Nine Million) ordinary shares by way of Rights (i.e. 58.89%, of the existing paid-up capital of LSE Financial Services Limited) at an offer price of PKR 1/- per share (i.e. at par) for an aggregate issue size of PKR **159,000,000** /- (Pak Rupees One Hundred Fifty-Nine Million only) at a ratio of 58.89 rights shares for every 100 shares held.

Website: **This offer document is available for download at:**

1. https://lse.com.pk/LSEFSL-R1.php.
2. www.psx.com.pk

A. Details of the current right issue

Description of the Issue	Size of the Issue	Issue Price per Share	No. of Shares	Par Value per Share	Share Premium	Proportion of Right
Issuance of Ordinary Shares by way of right	Rs. 159,000,000	Rs. 1.00 per Share	159,000,000	Rs. 1.00 per Share	Rs. Nil per Share	58.89% Right Issue

B. Other Detail

1. Date of Final Offer Letter	October 12, 2026
2. Date of placing offer document on PSX for public comments.	Not opted
3. Date of Book Closure – From	October 20, 2026
4. Date of Book Closure – To	October 20, 2026
5. Commencement of trading of unpaid Rights on the PSX	October 23, 2026
6. Last date of trading of Rights Letter	November 6, 2026
7. Last date for acceptance and payment of shares in CDC and physical form - Last payment date	November 13, 2026
8. Website address from where the offer documents can be downloaded	https://lse.com.pk/LSEFSL-R1.php.

C. Details of the relevant contact persons

Description	Name of person	Designation	Contact Number	Office Address	Email ID
Authorized Officer of the Issuer	Mr. Muhammad Sajjad Hyder	Company Secretary	+923214693229	The Exchange Hub, LSE Plaza, 19-Kashmir Egerton Road, Lahore.	sajjad@lse.com.pk
Underwriter	Dawood Equities Limited (Salman Yaqoob)	Chief Financial Officer	+92-21 32271881 & 32271883	Saima Trade Tower, 17th Floor, Tower-A, I.I. Chundrigar Road, Karachi.	contact@dawoodequities.com
Banker to the Issue	MCB Bank Limited (Sumera Zagham)	Branch Manager	+923224943794	MCB Lahore Stock Exchange Branch-1392	mcb1392@mcb.com.pk

On Stamp Paper

UNDERTAKING BY THE ISSUER SIGNED BY CEO & CFO

I/We, **Aftab Ahmad**, the Chief Executive Officer and **Shahid Nadeem**, Chief Financial Officer of the Company, certify that;

i. The offer document contains all information with regard to The Issuer and The Issue, which is material in the context of the Issue and that nothing has been concealed in this respect;
ii. The information contained in the Offer Document is true and correct to the best of our knowledge and belief;
iii. The opinions and intentions expressed herein are honestly held;
iv. There are no other facts, the omission of which would make the Offer Document misleading on the whole or any part thereof; and
v. All requirements of the Companies Act, 2017, the Companies (Further Issue of Shares) Regulations, 2020, the Central Depository Company and that of PSX pertaining to the Right Issue have been fulfilled.

For and on behalf of LSE Financial Services Limited

-sd-	**-sd-**
Aftab Ahmad	**Shahid Nadeem**
Chief Executive Officer	**Chief Financial Officer**

On Stamp Paper

UNDERTAKING OF THE BOARD

We, The Board of Directors of **LSE Financial Services Limited,** hereby confirm that:

i All material information as required under the Companies Act, 2017, the Securities Act, 2015, the Companies (Further Issue of Shares) Regulations, 2020, the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited, has been disclosed in this Offer Document and that whatever is stated in offer document and in the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

ii All material information, including risks that would enable the investor to make an informed decision, has been disclosed in the Offer Document.

iii Right Issue is the discretion of Board of the Issuer and it neither requires the approval of the Commission nor the Securities Exchange.

iv The comments from the Securities Exchange and the SECP were received on **________, 2026** and **________, 2026**, respectively, which have been duly incorporated in this document.

v The Board has ensured the updation of the draft Offer Document in the light of Securities Exchange and SECP comments.

vi The Board has disclosed all the comments received along with the explanations as to how they are addressed, on the website of the Company as well as the PSX.

vii The final Offer Document was submitted to the Commission and placed on the web site of PSX on ____________ along with the book closure dates and relevant right issuance timelines. (i.e. within 20 working days from the date of receipt of comments of PSX and SECP).

viii The statutory auditor (M/s Ilyas Saeed & Co., Chartered Accountants) of the Issuer shall submit half yearly report to the Issuer regarding utilization of proceeds in the manner referred to in the final Offer Document. the Issuer will include the report of the statutory auditor, along with its comments thereon, if any, in its half yearly and annual financial statements.

ix Names of the dissenting directors (if any) are as under: NIL

x The board has exercised its discretion not to seek public comments on the offering documents.

For and on behalf of the Board of Directors

_____-sd- _____
Aftab Ahmad
Chief Executive Officer

D. Disclaimer

In line with the Companies Act, 2017 and the Companies (Further Issue of Shares) Regulations, 2020, **this document does not require approval of the Securities Exchange (Pakistan Stock Exchange Limited) and the Securities and Exchange Commission of Pakistan (SECP)**.

The Securities Exchange and the SECP disclaims:

a) Any liability whatsoever for any loss however arising from or in reliance upon this document to anyone, arising from any reason, including, but not limited to, inaccuracies, incompleteness and/or mistakes, for decisions and/or actions taken, based on this document.
b) Any responsibility for the financial soundness of the Company and any of its schemes/projects stated herein or for the correctness of any of the statements made or opinions expressed with regards to them by the Company in this Offer document.
c) Any responsibility with respect to the quality of the issue.

It is clarified that information in this Offer Document should not be construed as advice on any particular matter by the SECP and the Securities Exchange (PSX) and the same must not be treated as a substitute for the specific advice.

E. Glossary of Terms

BOD	Board of Directors
LSEFSL or Company or Issuer	LSE Financial Services Limited
Companies Act	Companies Act, 2017
CDC	Central Depository Company of Pakistan Limited
CDS	Central Depository System
PKR or Rs.	Pakistani Rupees
PSX or Securities Exchange	Pakistan Stock Exchange Limited
SECP or Commission	Securities and Exchange Commission of Pakistan
NCCPL	National Clearing Company of Pakistan Limited
SPACs	Special Purpose Acquisition Companies
IPO	Initial Public Offering
SPO	Secondary Public Offering

F. Definitions

Banker to the Issue	The bank in which the subscription money is received. **MCB Bank Limited** has been appointed as Bankers to the Issue.
Book Closure Date	The Book Closure shall commence from **October 20, 2026, to October 20, 2026**.
Issue	Issue of **159,000,000** right shares representing **58.89%** of the existing paid-up capital of the Company.
Issue Price	PKR 1/- per share, the price at which the right shares of the Company are being offered for subscription by the existing shareholders of the Company.
Market Price	The latest available closing price of the share.
Net Worth	Total assets minus total liabilities
Ordinary Shares	Ordinary Shares of LSE Financial Services Limited having face value of PKR 1/- each.
Regulations	The Companies (Further Issue of Shares) Regulations, 2020.
Right Issue	Shares offered by a company to its members strictly in proportion to the shares already held in respective kinds and classes.
SPAC	A Special Purpose Acquisition Companies with no commercial operations that is formed strictly to raise capital through an IPO for the purpose of acquiring an existing company.
SPO	A Secondary Public Offering is an offering of shares of a company to the public after the company has already gone through an Initial Public Offering.
Sponsor	A person who has contributed initial capital in the issuing company or has the right to appoint majority of directors on the board of the issuing company directly or indirectly. A person who replaces the person referred to above; and a person or group of persons who has control of the issuing company whether directly or indirectly.

Table of Contents:

1. SALIENT FEATURES OF THE RIGHT ISSUE

i. Brief Terms of the Rights Issue:

a)	**Description of issue**	Issuance of new ordinary shares by way of rights to existing shareholders of the Company, at PKR 1/- (Pak Rupees One only) per share, as per their proportional entitlement.
b)	**Size of the proposed issue**	The Right Issue consists of 159,000,000 Right Shares (i.e., 58.89% of the existing paid-up capital of LSE Financial Services Limited) at an offer price of PKR 1.00 per share for an aggregate issue size of PKR 159,000,000 (Pak Rupees One Hundred Fifty-Nine Million only) at a ratio of 58.89 rights shares for every 100 shares held.
c)	**Face value of the share**	PKR 1/- each
d)	**Basis of determination of price of the Right Issue**	The right issue is being carried out at par. Justification of issue of shares at par instead of issuing at market value: • The Right Issue has been proposed at par value instead of the prevailing market value to ensure equitable participation by all existing shareholders in proportion to their current shareholding, without causing any undue financial burden. • Further, the objective of the issue is to strengthen the company's capital base and support future growth plans, rather than to raise funds at a premium.
e)	**Proportion of new issue to existing issued shares with condition, if any**	Aggregate issue size of PKR 159,000,000 (Pak Rupees One Hundred Fifty-Nine Million only) at a ratio of 58.89 rights shares for every 100 shares held.
f)	**Date of Decision of the BOD wherein the right issue was approved**	Resolution by Circular dated **September 14, 2026**.
g)	**Name of directors approving the Decision:**	The Resolution by Circular was approved by following directors: • Mr. Sohail Ahmed Awan Chairman/ Independent • Mr. Aftab Ahmad: MD/CEO • Ms. Aasiya Riaz: Non-Executive • Syed Jawwad Ahmad: Non-Executive • Mr. Hafiz Mudassir Alam: Non-Executive • Mehr Muhammad Iqbal: Non-Executive • Mr. Talha Saeed: Independent

h)	**Brief purpose of utilization of right issue proceeds**	The purpose of this issue shall be to raise funds for making investment in Associates/ Earmarked for SPACs and make other investments in pre-IPO, IPO and SPO offering companies. **However, it must be noted that the Board shall have the discretion of using the whole or part of the subscription money in any of the entities indicated in the broader utilization plan, given hereunder:** • Total PKR 159.00 million funds required for the Project • PKR 120.00 million for investment SPAC • PKR 39.00 million for other investments in Associates/SPO/IPO offering Companies • 100 % funds financed through the Right Issue • 0% funds financed by other sources • Time of complete utilization of proceeds – **23-Mar-2027**
i)	**Purpose of the Right Issue – Details of the main objects for raising funds through present Right Issue**	• **To Invest PKR 120 million in SPACs.** A SPAC is a company with no commercial operations that is formed strictly to raise capital through an IPO for the purpose of acquiring an existing company. • **To make investments up to PKR 39 million in Associates. Besides associates,** this portion of the funds is more broadly allocated for investing in pre-IPO, IPO and SPO offering companies and investments in shares of other companies carrying variable rights and privileges, such as preference shares, etc. • However, the Board of the Company shall have the discretion to allocate the whole or any part of the subscription money towards any of the above utilization.
j)	**'Minimum level of subscription' (MLS)**	**None**
k)	**Application Supported by Blocked amount" (ASBA) facility, if any, will be provided for subscription of right shares.**	**Not Applicable**

ii. Principal Purpose of the Issue and funding arrangements:

A. Details of the principal purpose of the issue.

Sr.	Funds Generated from the Further Issue will be utilized as under	PKR	%age
1	Earmarked for SPACs	120,000,000	75%
2	Invest in pre-IPO, IPO & SPO offering companies/ Investment in Associates	39,000,000	25%
	Total Fund Required	**159,000,000**	**100%**

Principal purpose of the Issue and funding arrangements: The purpose of this issue shall be to raise funds for making investment in Associates/ Earmarked for SPACs and make other investments in pre-IPO, IPO and SPO offering companies. **However, it must be noted that the Board shall have the discretion of using the whole or part of the subscription money in any of the entities indicated in the broader utilization plan.**

B. Additional disclosures relating to purpose of the issue shall be made in case of the following:

a. If purpose of the issue is to finance a project	Not Applicable
b. If purpose of the issue is to finance working capital	Not Applicable
c. If purposes of the issue is to purchase Plant/ Equipment/ Technology	Not Applicable
d. If the purpose of the issue is to acquire Land	Not Applicable
e. If the purpose of the issue is to acquire intangible assets	Not Applicable
f. If purpose of the issue is loan/debt repayment	Not Applicable
g. If purposes of the issue is BMR/investment in greenfield project	Not Applicable
h. If purpose of the issue is to acquire a company	**a.** "Currently" Not Applicable but includes investment in SPAC. **b.** Prior to investing right proceeds into SPACs, the Company would obtain specific approval u/s 199 of the Companies Act. 2017.

iii. General Requirements:

1) The necessary shareholders' approval was obtained on June 5th, 2026, at the Extra Ordinary General Meeting of the Company, in compliance with Section 199 of the Companies Act, 2017, and related regulations, to invest right issue proceeds in associated companies, including SPACs. However, specific approval of shareholders will be obtained by the Company u/s 199 of the Companies Act, 2017 and the Companies (Investment in Associates Companies or Associates Undertaking) Regulations, 2017 before investing right issue proceeds in the associated company i.e. SPACs. And additional disclosures relating to purpose of the issue to acquire a company will be made in accordance with regulations.

2) Estimated timeline of investment: March 2027

iv. Financial Effects Arising from Right Issue:

	Measuring Unit	Pre-Issue	Post Issue	Increase in Percentage (%)
Authorized Capital	PKR	429,000,000	429,000,000	0.00%
Paid-up Capital	PKR	270,000,000	540,000,000	100.00%
Number of Shares	Nos.	270,000,000	540,000,000	100.00%
Total Equity	PKR	191,002,022	461,002,022	141.36%
Breakup Value	PKR	0.71	0.85	20.68%
Gearing Ratio*	PKR	0.38	0.16	-58.57%
Production Capacity	PKR	N/A	N/A	Nil

* Gearing Ratio (Debt-to-Equity i.e., 72 million to 191 million)

v. Total expenses to the issue:

Underwriting	PKR 1,600,000
Bankers Commission	PKR 400,000
SECP/PSX/CDC	PKR 700,000
Other Expenses	PKR 300,000
Total Expenses	**Up to PKR 3,000,000**

vi. Details of Underwriters:

Name of the Underwriter	Amount Underwritten (PKR)	Associated Company/ Associated undertaking of the Issuer (YES /NO)
Dawood Equities Limited	**159,000,000**	**NO**

vii. Commitments from substantial shareholders/directors:

The entire Issue is being underwritten. Hence, in order to improve the liquidity in the scrip of the Company, the Board shall have the discretion to seek any prior commitment from any of the following substantial shareholders or otherwise:

Name of the Person	Status (Substantial Shareholder/Director	Number of Shares Committed to be Subscribed	Amount Committed to be Subscribed (PKR)	Shareholding % - pre-Issuance	Shareholding % - post-issuance
Subscription by Substantial Shareholders					
LSE Ventures Limited	Shareholder	45,152,878	45,152,878	28.40%	28.40%
Zahid Latif Khan Securities (Pvt) Ltd.	Shareholder	32,765,218	32,765,218	20.61%	20.61%
LSE Capital Limited	Shareholder	2,491,318	2,491,318	1.57%	1.57%
Total		**80,409,414**	**80,409,414**	**50.57%**	**50.57%**
Directors					

Aftab Ahmad	Director	33,618,812	33,618,812	21.14%	21.14%
Sohail Ahmed Awan	Director	5	5	0.00%	0.00%
Aasiya Riaz	Director	5	5	0.00%	0.00%
Syed Jawwad Ahmad	Director	5	5	0.00%	0.00%
Mehr Muhammad Iqbal	Director	5	5	0.00%	0.00%
Hafiz Mudassir Alam	Director	5	5	0.00%	0.00%
Talha Saeed	Director	2,944	2,944	0.00%	0.00%
Total		**33,621,781**	**33,621,781**	**21.15%**	**21.15%**
Grand Total		**114,031,195**	**114,031,195**	**71.72%**	**71.72%**

Commitments from Underwriter					
Dawood Equities Limited	Underwriting (100%)	159,000,000	159,000,000	100.00%	
Total		**159,000,000**	**159,000,000**	**100.00%**	

viii. Fractional Rights Shares:

Fractional shares, if any, will not be offered and all fractions less than a share will be consolidated and disposed of by the Company and the proceeds from such disposition shall be paid to such of the entitled shareholders as may have accepted such offer as per the applicable Regulations.

ix. Important Dates:

Tentative Schedule for Issuance of Letter of Rights Book Closure: From October 20, 2026, to October 20, 2026			
Sr.	**Procedure**	**Day**	**Date**
1	Date of credit of unpaid Rights into CDC in Book Entry Form	Wednesday	**21/10/2026**
2	Dispatch of Letter of Right (LOR) to physical shareholders	Friday	**23/10/2026**
3	Intimation to Stock Exchange for dispatch of physical Letter of Rights	Friday	**23/10/2026**
4	Commencement of trading of unpaid Rights on the Securities Exchange	Friday	**23/10/2026**
5	Last date for splitting and deposit of Requests into CDS	Wednesday	**28/10/2026**
6	Last date of trading of letter of Rights	Friday	**06/11/2026**
7	Payment of subscription amount start date	Friday	**23/10/2026**
8	Last date for acceptance of payment	Friday	**13/11/2026**
9	Allotment of shares and credit of Shares into CDS	Sunday	**29/11/2026**
10	Date of dispatch of physical shares certificates	Wednesday	**02/12/2026**

2. SUBSCRIPTION AMOUNT PAYMENT PROCEDURE

i. Payment as indicated above should be made by cash or crossed cheque or demand draft or pay order made out to the credit of "**LSE Financial Services Limited - Right Subscription Account**" through any of the authorized branches of **MCB Bank Limited** on or before **November 13, 2026,** along with this Right Subscription Request duly filled in and signed by the subscriber(s).

ii. Right Subscription Request can be downloaded from the Company's website https://lse.com.pk/LSEFSL-R1.php.

iii. In case of Non-Resident Pakistani / Foreign shareholder, the demand draft of the equivalent amount in Pak Rupees should be sent to the Company Secretary, **LSE Financial Services Limited** at the registered office of the issuer along with Right Subscription Request (both copies) duly filed and signed by the subscriber(s) with certified copy of NICOP / Passport well before the last date of payment.

iv. All cheques and drafts must be drawn on a bank situated in the same city where the Right Subscription Request is deposited. Cheque is subject to realization.

v. The Banker(s) to the Issue will not accept Right Subscription Requests delivered by post which may reach after the closure of business on **November 13, 2026**, unless evidence is available that these have been posted before the last date of payment.

vi. Payment of the amount indicated above to the Issuer's Banker(s) to the Issue on or before **November 13, 2026,** shall be treated as acceptance of the Right offer.

vii. After payment has been received by the Banker(s) to the Issue, the Right Securities will be credited into respective CDS Accounts within 14 business days from the last payment date. Paid Right Subscription Request will not be traded or transferred.

3. PROFILE OF MANAGEMENT AND SPONSORS

i. Profile of Board of Directors:

Sr.	Names of Director	Address	Brief Profile	Directorship held in other Companies
1	**Mr. Sohail Ahmed Awan:** Chairman/ Independent Director **Tenure: 1years**	House No. 2, E-Block, DHA, Phase 5, Lahore	Mr. Sohail is a seasoned banker having more than twenty-six years of banking industry experience. He has served on key roles in various banks including Silk Bank Limited, Standard Chartered Bank (Pakistan) Limited, Union Bank Limited, Al Faysal Investment Bank Limited. He has been the part of major corporate and investment banking transactions of the banks in local as well as international level assignments. He holds MBA degree from Hamdard Institute of Management Sciences, Karachi and BBA from Texas A&M University, USA. He has also earned his directors training program from LUMS and various financial management, corporate finance, and other management & marketing programs and certifications from LUMS, State Bank of Pakistan and Banking institutions.	▪ LSE Financial Services Limited
2	**Mr. Aftab Ahmad**	Farmhouse No. 16, Street No. 12, Chak	Mr. Aftab Ahmad Chaudhry, is a market practitioner engaged in deals advisory, M&A	▪ LSE Capital Limited. ▪ LSE Ventures Limited.

	Chief Executive Officer/Executive Director **Tenure: 1years**	Shahzad, Islamabad	and equity capital investments. Alongside, he also works on some community development initiatives. With the take-over & restructuring of the successor of Lahore Stock Exchange (LSE), he, alongside his fellow value investors, has set up some new LSE companies. The motivation for the creation of each LSE company has been to continue following LSE's original mission & legacy of expanding the availability of listed companies/products, broadening investors' access, and advancing market eco-system in Pakistan. He is a former military officer who later served as the Managing Director of Islamabad Stock Exchange and Lahore Stock Exchanges from 2022 to 2016. He also led the regional industry association-South Asian Federation of Exchanges, working for the promotion of regional economic integration during this period. He holds an MBA degree from Nicholls State University, and is also an alumnus of the Executive Management Program of the Stanford University, USA.	▪ LSE SPAC-I Limited ▪ LSE Financial Services Limited. ▪ Pakistan Mercantile Exchange Limited. ▪ National Clearing Company of Pakistan Limited.
3	**Ms. Aasiya Riaz** Non-Executive Director **Tenure: 1years**	33 – Abdul Rehman Road, Lahore Cantt.	Strategic, results-oriented leader with over two decades of experience in executive and board governance, policy development, influence and advocacy, stakeholder management and corporate communication. Leadership in large-scale initiatives and achieving strategic objectives in public, private, regional and international domains. Expertise in thought leadership in public diplomacy, policy and governance reform, research and narrative building. Adept at multi-layered institutional reform and Advisory and Mentorship roles. Experienced public speaker, commentator and analyst.	▪ LSE Capital Limited. ▪ LSE Ventures Limited. ▪ LSE Financial Services Limited. ▪ LSE SPAC-I Limited ▪ Digital Custodian Company Limited ▪ Ningbo Greenlight Energy Limited
4	**Syed Jawwad Ahmad** Non-Executive Director **Tenure: 1years**	House No. 252, Street No. 33, Sector G-10/1 Islamabad	Mr. Jawwad is a result driven project sales specialist with a demonstrated history of delivering successful sales strategies and achieving revenue targets. Proficient in managing complex sales cycles, leading high performing teams and fostering strong client relationships.	▪ LSE Financial Services Limited
5	**Mr. Hafiz Mudassir Alam**	House no. 66, St. no. 66, Sector I-10/1, Islamabad	Mr. Hafiz Mudassir Alam is an Information Security and Governance Consultant with over 15 years of experience in implementing	▪ LSE Financial Services Limited

	Non-Executive Director **Tenure: 1years**		ISO 27001, ISO 9001, and ISO 22301 across multiple industries. His expertise includes ISMS development, GRC, compliance readiness, and internal auditing, with a strong record of supporting organizations through successful certification processes and strengthening security frameworks. He is a Certified ISO 27001 Lead Auditor, with training in CCNA, CCNP, and MCSE.	
6	**Mehr Muhammad Iqbal** Non-Executive Director **Tenure: 1years**	House No. 73-C, Punjab Government Servants Housing Scheme, Mohlanwal, Lahore	Mr. Muhammad Iqbal, is an Advocate of Supreme Court of Pakistan and associated with Allied Legal Services as partner. He is a senior lawyer with vast experience in the areas of litigation, arbitration, banking and finance, capital markets and energy sector and has various reported judgements.	▪ LSE Financial Services Limited ▪ LSE SPAC – I Limited ▪ Nets International Communication Limited ▪ Elite Brands Limited
7	**Mr. Talha Saeed** Independent Director **Tenure: 1years**	House No. 39, Askari Villas, Shami Road, Lahore	Mr. Talha is a seasoned banker having more than thirty years of progressive career in the banking industry with multinational and local banks. He has a specialized experience of SME sector and expert for setting up new businesses. He has remained with Silk Bank as the Executive Director and also a Member of the Board of erstwhile Lahore Stock Exchange. He is a professional trainer on the panel of State Bank of Pakistan, IFC, NIBAF. He is the member of State Banks Consultative Group for SME Policy. He holds M.Sc. Economics degree from Quaid-e-Azam University and a certified director from Pakistan Institute of Corporate Governance.	▪ LSE Financial Services Limited ▪ Agritech Limited ▪ Kohat Cement Limited
ii. Profile of Management:				
1	**Mr. Shahid Nadeem** Chief Financial Officer	The Exchange Hub, LSE Plaza, 19-Khayaban Kashmir, Egerton Road, Lahore	A seasoned finance and compliance professional with over 20 years of experience in financial services and capital markets. He currently serves as Chief Financial Officer of LSE Financial Services Limited and has previously held senior roles in internal audit, finance and compliance across the LSE Group, Ensmile Limited, Pasha Securities and the South Asian Federation of Exchanges. His expertise includes financial reporting, budgeting, risk management, internal controls, regulatory compliance and	NA

			corporate governance. He holds an Executive MBA from Preston University and a Bachelor of Commerce from the University of the Punjab.	
2	**Mr. Muhammad Sajjad Hyder** Company Secretary	The Exchange Hub, LSE Plaza, 19-Khayaban Kashmir, Egerton Road, Lahore	Mr. Sajjad is serving as the Company Secretary of all the companies of LSE Group, including LSE Ventures Limited, LSE Financial Services Limited and LSE Capital Limited. He has been associated with LSE Group since before the Integration of Stock Exchanges in January-2016 resulting the conversion of erstwhile Lahore Stock Exchange Limited into presently LSE Financial Services Limited. Mr. Sajjad holds the degree of Masters in Finance (MBA) from University of the Punjab, Lahore.	NA

iii. Profile of Sponsor(s)

Sr.	Names of Sponsor	Date of Incorporation	Name of Directors	%age of Shareholding
1	**LSE Ventures Limited** LSE Ventures Limited (LSEVL) manages equity investments in emerging and growth-stage companies requiring strategic capital to support ongoing and future operations. It also oversees the legacy equity investments of the erstwhile Lahore Stock Exchange, making LSEVL a key stakeholder in Pakistan's capital market infrastructure, with shareholdings in PACRA, NCCPL, CDC, and PMEX.	**18th July 2022** **CUIN:** 0206407	• Mr. Muhammad Iqbal • Mr. Aftab Ahmad • Ms. Aasiya Riaz • Mr. Sardar Shahbaz Iqbal • Ms. Mehr Saleem • Mr. Saleem Ahmed Ranjha • Mr. Tabassum Munir	16.11%

DETAILS OF THE ISSUER

i. Financial highlights of Issuer for last three years:

	Audited Account FY2025	Audited Account FY2024	Audited Account FY2023
Name of Statutory Auditors	Kreston Hyder Bhimji & Co.	Kreston Hyder Bhimji & Co.	Rafaqat Mansha Mohsin Dossani Masoom & Co.
	Rs. In million		
Total Revenue	49.74	59.73	69.85
Gross Profit / (Loss)	-9.03	-15.14	-18.60
Profit Before Tax	24.17	78.89	34.04
Taxation	-5.98	-17.62	-33.01
Net Profit/Loss	18.19	61.27	1.03
Accumulative Profit/Loss	65.95	65.60	0.72
Total Assets	489.18	544.41	511.16
Total Liabilities	32.20	90.68	410.44
Net Equity	456.98	453.73	100.72
Break-up value per share	**Rs. 12.8**	**Rs. 12.71**	**Rs. 10.07**
Earning/Loss per share	**Rs. 0.5**	**Rs. 1.71**	**Rs. 0.06**
Dividend Announced		**Rs. 0.50**	
Bonus Issue	Nil	Nil	Nil

ii. Financial highlights for preceding one year of consolidated financial statements : Nil

iii. Detail of issue of capital in previous five years:

Right Issue '000	FY2026	FY2025	FY2024	FY2023	FY2022
Percentage	**NIL**				
Numbers of Shares					
Amount Raised					
Unsubscribed portion					
Unsubscribed portion allotted by BoD					
Unsubscribed portion taken up by the Underwriter					

iv. Average market price of the share of the Issuer during the last six months: Average market price of the share of the Company during the last six months (**<u>from March 3rd, 2026, to September 7th 2026</u>**) is PKR **1.94** per share.

v. Share Capital and Related Matters:

a. The pattern of shareholding of the issuer in both relative and absolute terms (**as on Aug 31, 2026**):

Category of Shareholders	Shares Held	% of Holding
Directors, Chief Executive Officer, their Spouse(s) and Minor Children, if any.	57,093,600	21.15%
Associated Companies, Undertakings and Related Parties	136,544,290	50.57%
Executives	-	0.00%
NIT and ICP	1000	0.00%
Banks Development Financial Institutions, Non-Banking Financial Institutions	6000	0.00%
Insurance Companies	8020	0.00%
Modarabas and Mutual Funds	100	0.00%
Joint Stock Companies	1,934,410	0.72%
Others	29,660	0.01%
General Public	74,382,920	27.55%
	270,000,000	**100.00%**

b. Number of shares held by the directors, sponsors & substantial shareholders of the Issuer (both existing and post right issue).

Directors/Sponsors/Substantial Shareholder	No. of Existing Shares*	No. of Shares After Right
LSE Ventures Limited	76,674,700	121,827,578
Zahid Latif Khan Securities (Pvt) Ltd.	55,639,050	88,404,268
LSE Capital Limited	4,230,540	6,721,858
Aftab Ahmad	57,088,550	90,707,362
Sohail Ahmed Awan	10	15
Aasiya Riaz	10	15
Syed Jawwad Ahmad	10	15
Mehr Muhammad Iqbal	10	15
Hafiz Mudassir Alam	10	15
Talha Saeed	5,000	7,944
	193,637,890	**307,669,085**

*August 31, 2026

c. Group Structure of the Company (associated and subsidiary companies) till date:

i. **Associated Companies**

Sr.	Entities	LSEFSL	%Age	LSEVL	%Age	LSEFSL	%Age	DCCL	%Age
	Shareholders								
	Group								
1	**LSECL**		0.00%	111,135,988	27.84%	423,042	1.57%	21,602,156	54.01%
2	**LSEVL**	72,113,861	18.63%		0.00%	7,667,245	28.40%	3,996,399	9.99%
3	**LSEFSL**	-	0.00%	-	0.00%		0.00%	14,401,436	36.00%
4	**DCCL**	-	0.00%	-	0.00%	-	0.00%		0.00%
		72,113,861	**18.63%**	**111,135,988**	**27.84%**	**8,090,287**	**29.96%**	**39,999,991**	**100.00%**
	Total Shares	**387,000,000**	**100%**	**399,195,760**	**100%**	**27,000,000**	**100%**	**40,000,000**	**100%**

ii. **Subsidiary Companies:** Nil

iii. **The pattern of shareholding of associated companies** (as on June 30, 2026):

LSEVL

Category of Shareholders	Shares Held	% of Holding
Directors, Chief Executive Officer their Spouse(s) and Minor Children, if any.	56,176,899	14.07%
Associated Companies, Undertakings and Related Parties	127,115,806	31.84%
Executives	1,000	0.00%
NIT and ICP	30,930	0.01%
Banks Development Financial Institutions, Non Banking Financial Institutions	3,888	0.00%
Insurance Companies	200	0.00%
Modarabas and Mutual Funds	1,975,620	0.49%
Joint Stock Companies	126,634,693	31.72%
Others	2,703,414	0.68%
General Public	84,553,310	21.18%
	399,195,760	**100.00%**

LSECL

Category of Shareholders	Shares Held	% of Holding
Directors, Chief Executive Officer their Spouse(s) and Minor Children, if any.	20,021,545	5.17%
Associated Companies, Undertakings and Related Parties	120,176,023	31.05%
Executives	1,200	0.00%
NIT and ICP	58,568	0.02%
Banks Development Financial Institutions, Non Banking Financial Institutions	27,922	0.01%
Insurance Companies	34,072	0.01%
Modarabas and Mutual Funds	508,132	0.13%
Joint Stock Companies	81,172,741	20.97%
Others	1,126,532	0.29%
General Public	163,873,265	42.34%
	387,000,000	**100.00%**

DCCL

Category of Shareholders	Shares Held	% of Holding
Directors, Chief Executive Officer their Spouse(s) and Minor Children, if any.	9	0.01%
Associated Companies, Undertakings and Related Parties	39,999,991	99.99%
Executives	0	0.00%
Others	0	0.00%
	40,000,000	**100.00%**

vi. Details and shareholding of the holding company, if any. **Not Applicable**

4. RISK FACTORS

Risk Associated	Description	Internal/ External Risk	Remarks
Undersubscription Risk	There is a risk that the Right Issue may get undersubscribed due to lack of interest from shareholders of the Company. Failure to secure the full PKR 159 million will directly impact on the intended investments.	**External**	The Right Issue is being carried out at a price which is less than the current share price in the market and hence there is no major Undersubscription Risk associated with the Right Issue. The substantial shareholders and directors of the Company have confirmed that they shall subscribe to (or arrange the subscription of) their respective right entitlements, To mitigate this risk, **100% of the Right Issue will be underwritten** by an independent underwriter in accordance with the applicable laws.
Credit Risk	Credit risk is the potential for loss if a counterparty to a financial instrument fails to discharge its obligation. As an investment company, LSEFSL is exposed to credit risk primarily on its cash and bank balances. **Disclosure of Past Defaults:** The Company confirms that there were no material advances or other receivables that have defaulted in the past three financial years (FY2023, FY2024, FY2025). The Company manages this risk by dealing with highly-rated financial institutions and associates, and any future default could negatively impact the financial performance of LSEFSL	**Internal**	The Company manages credit risk by dealing only with entities having sound financial standing.
Liquidity Risk	Liquidity risk is where an entity will encounter difficulty in meeting	**Internal**	The Company manages liquidity risk by maintaining adequate cash reserves and ensuring the

	obligations associated with financial liabilities. **Latest Outstanding Financial Obligation**: As of June 30, 2025, the Company's key outstanding financial obligation primarily relates to Specify Current Liabilities such as trade and other payables amounting to PKR 24 million. **Ability to Honor Obligation:** The Company maintains adequate cash balances and short-term liquid investments, and the proceeds from this Right Issue are intended to bolster the capital base, ensuring the Company's ability to honor these obligations. **Effect on Performance**: Failure to meet obligations could result in legal action or penalties; however, no material adverse impact on LSEFSL's reputation or financial performance is anticipated.		availability of funds through stable and sufficient revenue streams. Based on the above, the management believes the liquidity risk to be insignificant.
Investment Risk	**Risks associated with SPACs:** The investment in SPACs is subject to the risk of the SPAC failing to complete its acquisition (de-SPAC) within the stipulated regulatory time, which could lead to losses or only the return of initial capital without any return. **Risks associated with Pre-IPO/IPO/SPO:** These investments are inherently high-risk, subject to market volatility, poor performance of the investee companies post-listing, and difficulty in accurate valuation of unlisted entities. The "valuation gaps" where unlisted entities may be overvalued during purchase compared to their eventual listing price. **Risk of Purpose Variation**: Should the disclosed investment in SPACs	**External**	This is inherent to LSEFSL's core business. Any material variation in the utilization of proceeds for SPACs or other categories requires prior shareholder approval.

	or other categories be varied, LSEFSL is required to obtain prior shareholder approval for material changes in the utilization of proceeds.		
Regulatory Risk	Changes in SECP's regulatory framework for SPACs or capital markets could render the current investment strategy obsolete. Specifically, if LSE SPACs fail to meet the prescribed IPO or de-SPAC timelines due to changing compliance standards, LSEFSL's capital could be locked or devalued.	**External**	Investment is contingent on a stable regulatory environment. LSEFSL stays abreast of SECP circulars to ensure the SPAC's timelines remain compliant with the law.
Business Risk	The possibility of reporting lower profits or losses due to poor selection of investee companies.	**Internal**	Mitigated by a steady income stream from dividends of capital market infrastructure companies, providing a "safety net" against more speculative IPO/SPO investments.
Economic Slowdown	Deterioration of macroeconomic conditions (e.g., high interest rates or inflation) reduces market multiples, directly lowering the exit valuation of Pre-IPO and SPO investments. A slowdown shrinks the "appetite" for new listings, potentially delaying exits and trapping LSEFSL's capital.	**External**	Managed through a long-term, diversified portfolio approach to weather temporary market cycles.

j. Additional risk factors relating to the following areas shall necessarily be disclosed in the offer document, wherever applicable:

(a) Approvals that are yet to be received by the issuer;

No such risk is involved

(b) Seasonality of the business;

No such risk is involved

(c) Risk associated with orders not having been placed for plant and machinery in relation to the principal purpose of the issue;

Not Applicable

(d) Lack of experience of the Management to run the business;

No such risk is involved

(e) If the issuer has incurred losses in the last three financial years;

	2025	**2024**	**2023**
Net Profit	Rs. 18,186,000	Rs. 61,267,000	Rs. 1,036,000

(f) Dependence of the issuer or any of its business segments upon a single customer or a few customers

Not Applicable

(g) Loans, if any, taken by the issuer and its subsidiaries that can be recalled at any time.

Not Applicable

(h) In case of outstanding debt instruments, any default in compliance with the material covenants;

Not Applicable

(i) Default in repayment of loan by the issuer and associated group companies, if any.

Not Applicable

(j) Potential conflict of interest of the Sponsors, substantial shareholders or directors of the issuer if involved with one or more ventures which are in the same line of activity or business as that of the issuer.

Not Applicable

(k) Excessive dependence on any key managerial personnel for the project for which the issue is being made.

Not Applicable

(l) Any material investment in debt instruments by the issuer which are unsecured.

Not Applicable

(m) Pending legal Proceeding against the issuer and associated group companies, which could have material adverse comments.

Nil

(n) Negative cashflow from operating activities in the last three preceding financial years.

	2025	**2024**	**2023**
Net Cash used in operating Activities	Rs. (52,096,000)	Rs. (17,098,000)	Rs. 7,039,000

Since the main source of revenue is the return on investment, the Company's operating cash flows are negative.

(o) Any restrictive covenant that could hamper the interest of the equity shareholders.

Not Applicable

(p) Low credit rating of the Issuer.

Not Applicable

(q) Dependence of the issuer or any of its business upon a single customer or few customers, loss of any one or more may have material adverse effect on the issuer.

Not Applicable

(r) Any portion of the issue proceed that is proposed to be paid by the issuer to the sponsors, directors or key management personnel of the issuer.

Not Applicable

DECLARATION:

IT IS STATED THAT TO THE BEST OF OUR KNOWLEDGE AND BELIEF, ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

Aftab Ahmad
Chief Executive Officer

5. LEGAL PROCEEDINGS:

i. Any outstanding legal proceeding other than the normal course of business involving the issuer, its sponsors, substantial shareholders, directors and associated companies, over which the Issuer has control, that could have material impact on the issuer.

NIL

ii. Action taken by the Securities Exchange against the issuer or associated listed companies of the Issuer during the last three years due to noncompliance of its Regulations

NIL

Regulatory Authority	Date of Action	Description of Non-Compliance (Reason)	Action Taken / Penalty Imposed	Current Status

iii. Outstanding Legal Proceedings.

NIL

SIGNATORIES TO THE OFFER DOCUMENTS

For and on behalf LSE Financial Services Limited

Aftab Ahmad
CEO/MD

Ms. Aasiya Riaz
Director