

December 1, 2025

The General Manager

Pakistan Stock Exchange (PSX)
Stock Exchange Building,
Stock Exchange Road, Karachi – 74000

Subject: Material information - Statement of Financial Position showing Scheme Effect

Dear Sir,

This refers to the Honorable Lahore High Court order no. C.O 75382/2025, dated October 13, 2025, about the sanctioning of the Scheme of Compromises, Arrangement and Reconstruction by and between LSE Financial Services Limited (LSEFSL) and Digital Custodian Company Limited (DCCL) for the transfer of designated assets and liabilities and reconstruction of share capital and reserves.

In this regard, please find attached herewith the Statement of Financial Position showing Scheme Effect based on the audited financial statements of LSE Financial Services Limited and Digital Custodian Company Limited as on October 13, 2025 (Sanction Date) duly certified by M/s Ilyas Saed & Co. Chartered Accountants.

Please disseminate the information to TREC holders.

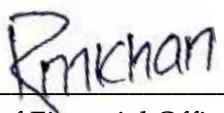
For and on behalf of
LSE Financial Services Limited:



Company Secretary



For and on behalf of
Digital Custodian Company Limited:



Chief Financial Officer



Enclosed: As above

Cc: The Executive Director/HOD, Offsite-II Department, Supervision Division,
Securities and Exchange Commission of Pakistan, NIC Building, Blue Area, Islamabad

**LSE Financial Services Limited
&
Digital Custodian Company Limited
Auditor's Certificate on Scheme of Compromises,
Arrangement and Reconstruction**

November 28, 2025

The Board of Director,
LSE Financial Services Limited
The Exchange Hub, LSE Plaza, Kashmir Egerton Road,
Lahore

The Board of Director,
Digital Custodian Company Limited
The Exchange Hub, LSE Plaza, Kashmir Egerton Road,
Lahore

Auditor Certificate on Scheme of Compromises, Arrangement and Reconstruction

Dear Sir,

The Honorable Lahore High Court, in its order C.O No. 75382/2025, dated October 13, 2025, has allowed the petition under Section 279 read with Sections 280 to 283 and 285(8) and all others enabling provisions of the Companies Act, 2017 and has sanctioned the Scheme of Compromises, Arrangement and Reconstruction by and between LSE Financial Services Limited (LSEFSL) and Digital Custodian Company Limited (DCCL) as follows:

1. The distribution of Investment/shares of LSE Capital Limited (LSECL) held by DCCL and LSEFSL to its shareholders under the Scheme.
2. The distribution of Investment/shares of LSEFSL held by DCCL to its shareholders under the Scheme.
3. The reconstruction of share capital and reserves of LSEFSL and DCCL under the Scheme.
4. The transfer of designated inter-company liabilities from DCCL to LSEFSL under the Scheme.

In accordance with the approved Scheme, the financial statements of the above-mentioned entities have been prepared and audited by the practicing Chartered Accountants as of the Sanction Date (i.e. October 13, 2025) of the Scheme.

Scope of Certificate

We, as practicing Chartered Accountants, have been requested to certify the book values of assets and liabilities as mentioned in the Statement of Financial Position of the LSEFL and DCCL showing the Scheme Adjustment Effect, as prepared by the management of LSEFSL and DCCL, that are duly taken from the respective audited financial statements for the period ended October 13, 2024.

Management Responsibility

It is the management's responsibility to prepare the Statement of Financial Position showing Scheme Effect of both the entities before and after the sanction order of the Honorable Lahore High Court, Lahore regarding the impact of effectuation of the Scheme, for onward presentation to the Board of Directors, in

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accordance with the Scheme of Compromises, Arrangement & Reconstruction, under sections 279, 280 to 283 and 285(8) and all other enabling provisions of the Companies Act, 2017.

Practicing Chartered Accountant's Responsibility

Our responsibility is to certify that the Statement of Financial Position showing the Scheme Effect of both the entities has been properly prepared and presented on the basis of net book values of the companies based on the audited financial statements of the respective companies for the period ended October 13, 2025, for the distribution/ transfer of designated assets and liabilities and reconstruction of share capital and reserves as per Annexure A.

Impact of the Scheme on Share Capital

		LSEFSL	DCCL
Before Scheme			
Authorized share capital	No. of Shares	111,900,000	60,000,000
Issued, subscribed and paid-up share capital	No. of Shares	35,677,578	52,266,777
After Scheme			
Authorized share capital	No. of Shares	42,900,000	129,000,000
Issued, subscribed and paid-up share capital	No. of Shares	27,000,000	40,000,000
Capital Reduction	%	24.32%	23.47%

Accordingly, our verification was limited to the following procedure:

1. We have obtained information about the assets and liabilities of LSEFSL from its audited financial statements as on October 13, 2025.
2. We have obtained information regarding the assets and liabilities of DCCL from its audited financial statements as on October 13, 2025.
3. We have checked that all the financial information used in the Statement of Financial Position showing the Scheme Effect regarding the assets and liabilities is based on the audited financial statements for the period ended October 13, 2025. However, all the distribution/ transfers of the assets have been made as decided by the management and approved by the members of the respective companies as per the Scheme. (Attached as Annexure – A).

Certificate

Based on the procedure mentioned above, we certify that all the financial information as mentioned in the Statement of Financial Position showing the Scheme Effect as regards to the book values of all the underlying assets and liabilities of both the above named entities are based on the audited financial statements for the period ended October 13, 2025 and all the Scheme Adjustments on the effectuation of Scheme have been incorporated therein as per the Scheme as approved by the members of both the entities for the purpose of transfer/distribution of designated assets and liabilities and reconstruction of share capital and reserves.

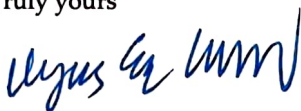
Our certificate is in accordance with the "Guidelines for Issue of Certificates for Special purposes by Practicing Chartered Accountant Firms" issued by the Institute of Chartered Accountants of Pakistan (ICAP). Our verification was limited to the information mentioned above.

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Restriction on use and distribution

This certificate is being issued on the specific request of the management of LSEFSL and DCCL for the purpose of presenting to the Board of Directors of LSEFSL and DCCL, the Scheme Statement before and after the Scheme of both the entities in connection with the Scheme of Compromises, Arrangement and Reconstruction by and between LSEFSL and DCCL. This certificate is restricted to the facts stated herein and is not to be presented as testimony in any court of law.

Truly yours



Ilyas Saeed & Co.

Chartered Accountant

Shahid Mehmood (engagement partner)



The Board of Directors

LSE Financial Services Limited

The Exchange Hub, LSE Plaza, Kashmir Egerton Road,
Lahore.**Annexure - A****The Board of Directors**

Digital Custodian Company Limited

The Exchange Hub, LSE Plaza, Kashmir Egerton Road,
Lahore.**Statement of Financial Position showing Scheme Effect
as on Sanction Date i.e. October 13, 2025****ASSETS****Non-Current Assets**

Property and equipment

Intangible assets

Investment in Digital Custodian Company Limited

Investment in LSE Capital Limited

Investment in LSE Financial Services Limited

Goodwill arising on Scheme

Deferred Tax

Loan to director

Long term deposits

	Scheme Adjustment		After Scheme	
	LSEFSL	DCCL	LSEFSL	DCCL
	Oct 13, 2025	Oct 13, 2025	LSEFSL	DCCL
	Rs. in 000	Rs. in 000	Rs. in 000	Rs. in 000
ASSETS				
Non-Current Assets				
Property and equipment	-	16,646	-	-
Intangible assets	-	388,235	-	-
Investment in Digital Custodian Company Limited	213,825	-	-	-
Investment in LSE Capital Limited	173,139	218,733	(173,139)	(218,733)
Investment in LSE Financial Services Limited	-	10,425	-	(10,425)
Goodwill arising on Scheme	-	-	32,125	-
Deferred Tax	-	-	-	-
Loan to director	3,044	-	-	-
Long term deposits	5,009	219	-	-
	395,017	634,258	254,003	405,100

Current Assets

Trade and other receivables

Short term investments/Financial assets

Advances and prepayments

Tax refunds due from Government - net

Cash and bank balances

Trade and other receivables	-	23,626	-	-
Short term investments/Financial assets	-	218	-	-
Advances and prepayments	21,160	4,072	-	-
Tax refunds due from Government - net	45,216	10,906	-	-
Cash and bank balances	12,599	1,206	-	-
	78,975	40,027	78,975	40,027

Total Assets	473,992	674,285	(141,014)	(229,158)	332,978	445,127
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Authorized share capital	1,119,000	600,000	(690,000)	690,000	429,000	1,290,000
Share capital						
Issued, subscribed and paid-up share capital	356,776	522,668	(86,776)	(122,668)	270,000	400,000
Capital reserves						
Merger reserves	-	-	-	-	-	-
Share premium	31,355	-	(31,355)	-	-	-
Fair value reserve	2,897	8,738	(2,897)	(8,738)	-	-
Revenue reserves						
Un-appropriated profits	49,842	79,643	(49,842)	(52,287)	-	27,356
Total equity	440,870	611,049			270,000	427,356
Non-Current Liabilities						
Lease liabilities	-	-	-	-	-	-
Other liabilities/ Long term financing	-	-	-	-	-	-
Deferred tax liability	7,391	15,974	(7,391)	(8,219)	-	7,755
	7,391	15,974			-	7,755
Current Liabilities						
Trade and other payables	10,344	46,135	37,246	(37,246)	47,590	8,888
Current portion of lease liabilities	1,539	-	-	-	1,539	-
Deposit payable related to discontinued operations	13,821	-	-	-	13,821	-
Current portion of long term financing	-	-	-	-	-	-
Provision of taxation	-	1,128	-	-	-	1,128
Unpaid dividend	27	-	-	-	27	-
	25,731	47,262			62,978	10,016
Equity and Liabilities	473,992	674,285	(141,014)	(229,158)	332,978	445,127

Notes:

- The statements of financial position of both entities, as at the above-captioned period and presented prior to the effectuation of the Scheme of Compromises, Arrangement & Reconstruction, are based on their audited financial statements for the period ended October 13, 2025, the date on which the Scheme was sanctioned by the Honorable Lahore High Court, Lahore.
- The above statements for both entities, reflecting the distribution of LSE Capital Limited (LSECL) investments held by DCCL and LSEFSL, also the distribution of LSEFSL investment held by DCCL to their respective shareholders, form an integral part of this Scheme summary.
- The reconstruction of share capital and reserves of LSEFSL and DCCL in accordance with the Scheme.
- The designated inter-company liabilities of DCCL have been transferred to LSEFSL in accordance with the Scheme, as approved by the members of both companies and duly sanctioned by the Honorable Lahore High Court, Lahore.



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