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LMS Capital PLC
14 May 2025

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LMS CAPITAL PLC

AGM Statement

LMS Capital plc ("**LMS**" or the "**Company**") will today hold its Annual General Meeting ("**AGM**") at 11:00am and a General Meeting ("**GM**") at 11:15am (or immediately after the AGM concludes) at 3 Bromley Place, London W1T 6DB.

The Company published a circular (the "**Circular**") to shareholders on 24 April 2025, outlining the recommended proposals for the managed realisation ("**Managed Realisation**") and convening a GM to seek the approval of shareholders for the new investment policy and other related matters to facilitate returns to shareholders via a B Share scheme. The Circular is also available on the Company's website at www.lmscapital.com.

Ahead of today's general meetings, the Company provides the following update:

Portfolio Update

Mature investment portfolio - in total c.£7.5m (Unaudited Net Asset Value ("NAV") at 31 March 2025)

- **Weber - £2.2m:** This is a fund comprising US-listed micro-cap securities, making it the most readily realisable asset in the portfolio. The fund manager has been instructed to develop a proposed realisation plan.
- **Opus - £3.2 million:** This is a US early-stage fund established in 2008. Its remaining two primary assets are currently cash-positive or have sufficient funding to reach that stage. The fund manager is actively pursuing exits for these remaining assets and the subsequent winding up of the fund.
- **Elateral - £1.7 million:** LMS holds just over 60% of the economic interest in Elateral, alongside two director/investors who have provided cash investment. This is a software business operating in the marketing technology sector, with a robust product and a strong base of large corporate clients. We are currently exploring opportunities for exiting this investment.

The Company anticipates progress overall with realising these investments within the next 12 to 18 months, subject to market conditions.

Dacian Petroleum - £9.0m (Unaudited Net Asset Value at 31 March 2025)

The backdrop to Dacian is that it has not met its internal production targets over recent months and the oil price environment has softened. This has led to a drain on its cash position.

Changes have been and are being implemented:
- As we have reported, John Burkhart, an experienced industry executive was appointed as an NED earlier this year;
- The executive team at Dacian has been restructured; and
- John Burkhart is currently supporting the new team with a review of operations and strategy going forward.

The primary focus for the new team is on:
- Improving production and cost forecast methodology;
- Developing a plan for production enhancement initiatives to stabilise the base production;
- Identifying and performing initial evaluations of promising upside potential opportunities, as well as potential sources of capital alongside our own, through "farm-outs" where third parties contribute expertise and/or services at their own risk in exchange for a share of the potential upside; and
- Continuing to explore other significant upside possibilities, such as in renewables, which John Burkhart's team will also assess.

As outlined in the Circular, approximately £2.5 million to £3.5 million has currently been identified as potential additional funding by LMS for Dacian. No decision about any further support on this scale has yet been made and will only be made on the basis of a solid business case from the new team and a clear path to preserving and/or enhancing prospects for realising value within a reasonable timeframe for LMS shareholders.

Castle View (Retirement Living) - £6.5m (Unaudited Net Asset Value at 31 March 2025)

The Board continues to see opportunity in the retirement living sector, particularly given the societal demographics. Castle View, the Company's investment in this sector, has a value of £6.5 million net of debt, with the debt facility being £5.2 million. The Board may determine it appropriate to pay down the debt financing in due course and/or it may seek co-investment into the subsidiary which holds that investment, which could add additional assets and ultimately enhance realisation value. Accordingly, an amount within the Company's cash balances is currently being retained with the potential to pay down the debt financing in due course. The Board continues to evaluate the optimum way forward to realise the value of this area of activity.

Timing and distribution of cash

If the proposals for the Managed Realisation are voted through at the GM, it is anticipated that the process will take approximately two years although this could stretch to longer.

In determining the size of the proposed initial return of capital, the Board has adopted a prudent approach, reserving sufficient current cash to cover costs, which we are in the process of reducing, and retaining cash to support Dacian and retirement living where we see that being accretive to the overall realisation outcome.

A number of cost reductions have been implemented, and others are in progress. We foresee further reductions as the realisation advances, including potential reductions in board and team costs or size. However, these changes will be driven by the business needs and the necessity of retaining knowledge and expertise where required to achieve the best overall outcome for investors.

Our strategy will be focussed on how best value is achieved from the different assets in the portfolio, being mindful of the different characteristics and demands of each. Whilst we have adopted a prudent approach with the first distribution we anticipate an accelerating pace of returns thereafter.

For further information please contact:

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