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**16 February 2026**

#### **LMS CAPITAL PLC**

#### **Company Update and Unaudited Net Asset value ("NAV") Estimate as at 31 December 2025**

LMS Capital plc ("LMS" or the "Company") the listed investment company provides the following update and estimate of net asset value ("NAV") as at 31 December 2025.

#### **KEY POINTS**

##### **Financial Update**

- The 31 December 2025 NAV estimate is £29.0 million (36.0p per share), a decrease of £0.7 million as compared to the last published NAV as at 30 September 2025 of £29.7 million (36.8p per share), and a decrease of £5.6 million compared to the prior year end, 31 December 2024, of £36.2 million after adjusting for the first return of capital in July 2025;
- The decrease of £0.7 million since 30 September 2025 is principally the result of:
  - Net decreases of £0.4 million in the underlying portfolio valuations;
  - Interest and other income of £0.1 million;
  - Running costs of £0.3 million and investment costs of £0.1 million; and
  - Unrealised foreign exchange movements in the last quarter were nil.
- Cash at the year end was £6.8 million (8.4p per share) (2024: £13.5 million, 16.7p per share). Cash of £1.6 million (2p per share) was distributed to shareholders in July 2025 following the adoption of the managed realisation plan;
- Further realisation proceeds of £0.7 million were received in January 2026 and a further distribution of £1.6 million (2p per share) was made in February 2026 bringing total distributions since the start of the managed realisation to £3.2 million (4p per share).

#### **NET ASSET VALUE ESTIMATE**

The Board currently estimates that the year end NAV will be in the region of £29.0 million which equates to 36.0p per share. This NAV estimate reflects information currently available to the Board on the performance and prospects of individual investments in the Company's portfolio and is subject to further evaluation as well as completion of the annual audit.

The estimated 31 December 2025 NAV is summarised below:

	<b>Estimated 31 December 2025</b>	<b>Most recently reported 30 September 2025</b>	<b>Audited 31 December 2024</b>
	<b>£'m</b>		
Dacian *	9.7	8.6	9.3
Castle View *	7.5	6.5	6.6
Other Investments	6.0	6.7	7.6
<b>Total Investment Portfolio</b>	<b>23.2</b>	<b>21.8</b>	<b>23.5</b>

TOTAL INVESTMENT PORTFOLIO	£3.2	£1.8	£3.3
Cash	6.8	8.8	13.5
Other Net (Liabilities)/Assets	(1.0)	(0.9)	(0.8)
<b>Net Asset Value</b>	<b>29.0</b>	<b>29.7</b>	<b>36.2</b>
<b>NAV per Share</b>	<b>36.0p</b>	<b>36.8p</b>	<b>44.8p</b>

<sup>7</sup> The balance sheet amounts for Dacian and Castle View reflect the NAV changes explained below plus the additional cash investment during the year in those two businesses of 4.2 million and £1.4 million respectively. These are explained below.

The valuation methodology and policy adopted is consistent with prior years and is in line with IPEV guidelines. The carrying value of the funds is based on the latest available information from the respective fund managers, generally the 30 September 2025 fund valuation reports except for Weber which is based on a 31 December 2025 valuation.

The decrease of £0.7 million in NAV during the last quarter of the year comprises:

- Net decrease of £0.4 million in underlying portfolio valuations:
  - £0.3 million, increase in valuation of Castle View (see below);
  - £0.6 million decrease in the carrying value of Elateral, reflecting more conservative valuation assumptions;
  - £0.2 million decrease in Dacian; and
  - £0.1 million increase on Weber.
- Running costs of £0.3 million and investment costs of £0.1 million; and
- Interest income £0.1 million.

For the year as a whole, the Company's estimated NAV, after adjusting for the July 2025 distribution, has decreased by £5.6 million, most of which occurred in the first half and was reported at 30 June 2025. The principal underlying portfolio changes on a full year basis were:

- A decrease of £1.0 million from unrealised foreign exchange losses on US dollar denominated investments;
- Underlying portfolio net decrease £2.5 million, excluding the cash investment in Dacian and Castle View during the year, comprising:
  - Decrease in Dacian £2.0 million, the bulk of which was recognised prior to the additional July 2025 and reflecting the impact of the additional funding on the prior investment valuation;
  - Decrease in Castle View £0.5 million, reflecting additional working capital required pending the sale of the stock of apartments;
  - Decrease in Elateral £0.6 million;
  - £0.6 million realised gain, reported in Q3 and being clawback by the Brockton Fund, now dissolved, of historic carried interest payments to its managers.
- Running costs for the year of £1.4 million.
- Investment costs for the year of £0.9m. This includes one off amounts of £0.4 million during the first half of the year, relating to the issue of the circular to shareholders and implementation of the B Share scheme and to the write off of historic management fees on Dacian. Other costs relate principally to the individuals who are focussed entirely on the oversight and development of the retirement living business.
- Other net income of £0.2 million comprising bank interest of £0.4 million less unrealised foreign losses of £0.2 million on non-portfolio assets.

Further information on the performance of the portfolio, underlying investment valuations and changes during the year will be included in the Company's audited results for the year ended 31 December 2025, which it expects to announce in March 2026.

## RETIREMENT LIVING

### Castle View

At the half year we reported that there were sale reservations on two apartments to the value of £1.3 million. During the autumn, both these reservations proceeded to completed sales, at the indicated prices.

The purchase of retirement apartments is typically financed by the sale of an existing larger property, and slowness in the housing market overall has a knock-on effect on the ability of purchasers to complete on retirement apartments.

To accelerate full occupancy and to reduce the holding costs of unoccupied units and create additional income, the decision was taken to offer apartments for rental alongside sale. Rental demand has been good. Two rentals were concluded prior to the year end and a further one in January 2026.

Of the 15 units which were unsold when the village was acquired in December 2023, 5 currently remain unoccupied and are for sale or rental. Rental transactions are in progress on a further 1 apartment with a continuing flow of new enquiries.

The current debt facility on Castle View does not permit rentals on units which are subject to the facility. To enable initial rental transactions the Company has invested £0.95 million, at 31 December 2025, to repay the debt on those rental units. The Company is now in discussions to secure a new facility which will permit rentals and allow it to refinance part of this investment and will provide finance for further rental units. In addition, the Company provided £0.5 million of working capital to Castle View during the year.

The acquisition debt has been reduced from £4.8 million at the half year to £3.0 million as a result of the two sales noted above and the paydown of debt on the rental units.

### Retirement Living Outlook

The Board has previously stated that it continues to see opportunity in the sector. This remains the case, particularly

in the acquisition of existing stock which offers long term value potential, but also provides attractive income. Accordingly, the Board may seek to attract outside investment into the Company's retirement living subsidiary which could add additional assets to create a retirement living platform and enhance realisation value.

## **DACIAN**

### **Working capital investment during 2025**

In August 2025 the Company announced that, following a detailed review of the business in conjunction with a new leadership team at Dacian, it had agreed to invest up to 5.3 million of additional capital. Other investors agreed to invest a further 0.24 million. To 31 December 2025 the Company had advanced a further 3.9 million to Dacian.

Key elements of the plan to be executed by the new team were:

- Investment in inventory of replacement components and implementation of a maintenance plan to reduce the frequency of equipment failures and consequent interruptions to production;
- Carrying out a programme of well workovers and interventions, financially evaluated and risk adjusted in accordance with industry best practice, to enhance production over the next 12 months;
- Taking opportunities to monetise some unutilised land and equipment held by Dacian;
- Evaluating and presenting to external capital, an identified set of additional development projects within the fields acquired; and
- Continuing to work with partners in the development of other opportunities including in clean energy initiatives.

Execution of the plan is still in process, but progress to date has been satisfactory. The new team structure has worked well since being put in place in mid-2025.

Mobilisation of resources and inventory for the maintenance plan and for the workover programme was slower than anticipated but is now well underway. Early indications are that the capital cost of projects is at or slightly below budgeted cost. The first major workover began flowing in January 2026 and is delivering the planned level of production.

Discussions with potential partners on opportunities in clean energy have commenced.

### **Outlook for Dacian**

The Company's 2026 budget indicates a potential further working capital requirement in the range 1.0 million to 1.5 million in order to complete the plan set out by the team last July. The actual timing and amount will depend on the outcomes of the various workover projects currently in hand.

Overall, whilst acknowledging the risks inherent in the oil and gas sector and that there is still much to be delivered at Dacian the Board remains of the view that the additional investment since July 2025 will show attractive returns and produce a better outcome for investors on realisation.

### **Dacian capital structure**

As previously reported the debt to equity swap agreed by shareholders as part of the July 2024 refinancing round has been awaiting regulatory approval in Romania. This approval was also a prerequisite for issuing equity to investors - including LMS - who provided bridge financing to Dacian in 2024 and 2025 on the basis that they would, once the July 2024 debt equity swap was approved, be issued with further shares.

We are pleased to report that the regulatory approval was finally received on 5 February 2026 and therefore the capital structure agreed by shareholders can be fully implemented. This will result, based on its current level of commitment, in LMS owning 60% of the equity in Dacian and 4.2 million of loan instruments at 31 December 2025, being the 3.9 million advanced during 2025 plus the recovery of 300k of costs incurred by LMS on behalf of Dacian in prior years.

The person responsible for the release of this announcement on behalf of the Company is IQ EQ Corporate Services (UK) Limited, the Company Secretary.

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