



2 February 2021

LMS CAPITAL PLC
NAV Estimate as at 31 December 2020 and Dacian Update

LMS Capital plc (the "Company") the listed Investment Company provides the following Company update and estimate of net asset value ("NAV") as at 31 December 2020.

Net Asset Value Estimate

The Company has commenced the year end valuation review process which is based on the latest performance updates from portfolio companies and third-party fund manager valuations. The Board currently estimates that the year-end NAV will be in the region of £47.9 million (59.4p per share) compared to £46.5 million (57.5p per share) at 30 June 2020. This 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 valuation methodology and policy adopted is consistent with prior years and is in line with IPEV guidelines.

The £1.4 million increase in NAV compared to the half year comprises the following principal elements:

- Excluding the effect of foreign exchange rate changes, the portfolio showed a net unrealised gain of £4.4 million in the second half of 2020:
 - An increase of £1.6 million in the value of ICU Eyewear, principally from activity associated with its personal protective equipment line and including a cash distribution of £1.1 million expected to be received by the Company during the first quarter;
 - An increase of £1.1 million in the value of Medhost reflecting a corresponding increase in value by Primus, the lead investment manager, in its latest available fund report;
 - An increase of £0.8 million in the Opus Capital Ventures Partners fund;
 - An increase of £0.4 million in Weber Capital Partners, a US listed company fund; and
 - Other portfolio net gains were £0.5 million.
- Unrealised foreign exchange losses of £1.2 million on portfolio assets arising from the weakening of the US Dollar compared to the sterling in the period 30 June 2020 to 31 December 2020; and
- Other movements were a net reduction of £1.8 million and include the following:
 - Running costs were £1.0 million in the second half of 2020. Full year running costs were £1.8 million;
 - Investment support costs (transaction diligence costs and support costs for real estate and co-

investment activities) were £0.1 million in the second half of 2020, bringing full year costs to £0.2 million;

- Unrealised foreign exchange losses of £0.7 million on non-portfolio assets, principally US Dollar bank accounts and the cash deposited for the investment in Dacian, due to the weakening of the US dollar against the sterling;
- £0.2 million for the dividend paid in September 2020; and
- Partially offset by £0.2 million in other net credits in the second half of 2020.

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 2020, which it expects to announce in March 2021.

Group cash balances at 31 December 2020 were £20.6 million (30 June 2020: £29.0 million). The change in the second half of 2020 is principally attributable to the £7.0 million deposited for the Dacian investment and an additional £0.8 million investment in Weber Capital Partners.

Dacian Update

On 7 January 2021, the Company provided an update on its planned investment in Dacian, the Romanian oil and gas production company acquiring 40 onshore oil and gas field from OMV Petrom. The transaction remains in the final stages of the approval process. The Dacian team believes that the approval process will conclude satisfactorily, and the transaction will complete within a reasonable period of time.

Outlook

The Company continues to maintain significant cash balances, £20.6 million at 31 December 2020, and remains cautious about the way its liquid resources are deployed. Notwithstanding the impact and uncertainties around the Coronavirus pandemic, the Company made progress during 2020, particularly with its energy team and its real estate teams, in building a pipeline of opportunities. Further updates on these investment opportunities will be included in the Company's final results announcement in March 2021.

The information contained within this announcement is deemed to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

For further information please contact:

LMS Capital PLC

Nick Friedlos, Managing Director

0207 935 3555

Shore Capital

Robert Finlay

0207 405 485