Interim Report

30 June 2025

LMS CAPITAL plc
Interim Results 2025

Chairman and Managing Director's Statement

The financial results of the Company for the first six months of the year and an update on the portfolio and the direction of the business are set out below.

OVERVIEW

Managed realisation strategy
At the Company's General Meeting in May 2025, shareholders approved the Board's recommendation, as set out in the circular to shareholders on 24 April 2025 (the "Circular"), to adopt a strategy of managed realisation of the Company's assets, over time, and the return of capital to shareholders.

The Company's investments range from its legacy private equity investments, which are relatively liquid, to its energy and retirement living investments which are less liquid.

In relation to the more liquid investments the realisation process has begun, and the Board anticipates these investments should be realised within 12 to 18 months.

As outlined in the Circular, the Board reserved capital to enable it to provide additional investment in energy and retirement living provided the investment case supported it, and it resulted in a better overall realisation outcome for shareholders.

The Board has today announced a further investment in Dacian which is expected to provide a better overall realisation outcome for investors.

In relation to the retirement living sector the Board continues to see opportunity. As stated in the Circular the Board may determine that it is appropriate to reduce the debt financing and/or may seek additional investment into the subsidiary which holds Castle View and which could add additional assets and enhance realisation value. The Board is evaluating options.

Portfolio update
Legacy private equity investments – three principal holdings

- Weber Fund (valuation £2.0 million). This is the most liquid investment in the portfolio being a fund of listed US micro-cap stocks. The manager has commenced realisation and, subject to market conditions, is planning, to realise approximately 40% of this fund during Q3;
- Opus (valuation £3.0 million). The manager of this early-stage technology fund is optimistic that liquidity can be achieved within a reasonable time frame for the fund's two principal remaining assets, and is actively engaged in seeking to achieve this.
- Elateral (valuation £1.7 million). Options to allow the Company to realise its investment are under review.

Chairman and Managing Director's Statement (continued)

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Dacian (valuation £7.3 million)

LMS is investing US$5.3 million in Dacian by way of a new loan, of which US$600,000 was advanced prior to 30 June 2025. Information on the background to the investment is set out in a separate announcement released today. The investment will provide funding for a plan developed by Dacian's new leadership team the key elements of which are:

- 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;
- Implementation of cost efficiencies;
- 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 Dacian's existing fields; and
- Continuing to work with partners in the development of other opportunities including in clean energy initiatives.

In the Board's view the returns on the additional investment are attractive and will offer investors the prospect of a materially better overall financial outcome on realisation than seeking an immediate sale. The Board acknowledges the risks inherent in the oil and gas industry and Dacian's past track record. However, in reaching the decision to invest further, the Board has taken account of the analysis and challenge process which has been gone through over the last few months with the external consulting team, the transparency and speed of execution of financial and governance matters under the new leadership and the preliminary feedback on market opportunities to realise the value in the oil and gas business, that the plans are designed to unlock. In addition, the Board continues to see potential value in the opportunities in clean energy which the company is exploring.

The underlying valuation of the Dacian investment at 30 June 2025, prior to the additional funding, has been reduced by US$2.4 million (£1.7 million) reflecting the impact of the additional refinancing on the underlying value of the prior investment.

Retirement Living (valuation £6.6 million)

The Company's investment in Castle View has a valuation of £6.6 million and debt at 30 June 2025 of £4.8 million, the debt having reduced from £5.2 million at 31 March 2025 as a result of apartment sales.

There are currently reservations from buyers on units to the value of approximately £1.3 million. These reservations are in the hands of buyers' solicitors and whilst not certain, there is an expectation that they will proceed to exchange and completion. The timing is difficult to predict and is dependent on the personal circumstances, including existing house sale chains, of the individual buyers.

Rental options are also now being offered, alongside sale, on the 9 unreserved units which will accelerate the fuller occupancy of the village and reduce the negative effect of the cost of holding empty units.

Chairman and Managing Director's Statement (continued)

Costs

Some initial reductions have already been implemented and further reductions are planned for the second half of the year. The Board estimates that the run rate of operating costs during the second half will be reduced from an annual rate of £1.7 million in 2024 to an annual rate of approximately £1.3 million. Investment costs will reduce to an annual rate of approximately £0.25 million.

The Board will continue to look to reduce the Company's cost base, consistent with operating requirements of the business and maintaining appropriate governance as the managed realisation progresses.

FINANCIAL SUMMARY

The NAV of the Company at 30 June 2025 was £31.3 million, 38.8 pence per share (31 December 2024: £36.2 million, 44.8 pence per share) and is summarised below:

	30 June 2025 (unaudited) £'000	31 December 2024 (audited) £'000
Weber	**1,953**	2,243
Opus	**3,039**	3,329
Elateral	**1,680**	1,680
Other	**309**	420
Dacian	**7,339**	9,258
Castle View	**6,553**	6,553
Total Investments	**20,873**	23,483
Cash	**11,295**	13,506
Other net assets / (liabilities/provisions)	**(854)**	(835)
Net Assets	**31,314**	36,154

The overall decrease of £4.9 million in the half year comprises:

- Portfolio valuation movements – net reduction £2.2 million summarised below:
  - Dacian £1.7 million
  - Weber £0.1 million
  - Castle View £0.4 million
- Unrealised foreign exchange losses £1.3 million;
- Running costs of £0.7 million; and
- Investment related costs were £0.3 million plus further one-off items of £0.2 million relating to the circular and B share mechanism and £0.2 million relating to the write-off of historical management fees from Dacian.

Chairman and Managing Director's Statement (continued)

First Return of Capital
The Company made its first return of capital to shareholders of £1.6 million in aggregate equal to 2 pence per share, in July 2025.

The Company will make further returns of capital as and when appropriate, although the timing and exact value of future returns will continue to depend on the realisation of the investments in the Company's portfolio.

James Wilson
Chairman

Nicholas Friedlos
Managing Director
11 August 2025

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Portfolio Management Review

The movement in NAV during the six months ended 30 June was as follows:

	Six months ended 30 June	
	2025	2024
	£'000	£'000
Opening NAV	**36,155**	42,141
Income and fair value adjustments on investment portfolio	**(3,537)**	(4,120)
Dividends	**-**	(505)
Overheads and other net movements	**(1,304)**	(1,004)
Closing NAV	**31,314**	36,512

Cash realisations and new and follow-on investments from the portfolio were as follows:

	Six months ended 30 June	
	2025	2024
	£'000	£'000
Distributions from funds	**-**	430
Proceeds from the sale of investments	**121**	-
Total – gross cash realisations	**121**	430
New and follow-on investments	**(1,049)**	-
Fund calls	**-**	(55)
Total – net	**(928)**	375

Realisations in 2025 relate to the sale of Tialis Essential IT plc and Cresco International Limited, along with a further receipt from the disposal of Medhost.

Below is a summary of the investment portfolio of the Company and its subsidiaries, which reflects all investments held by the Group:

	30 June 2025			31 December 2024		
Mature investment portfolio	**GBP denominated £'000**	**USD denominated £'000**	**Total £'000**	**GBP denominated £'000**	**USD denominated £'000**	**Total £'000**
Quoted	**-**	**5**	**5**	54	5	59
Unquoted	**1,680**	**-**	**1,680**	1,680	56	1,736
Funds	**304**	**4,992**	**5,296**	293	5,584	5,877
	1,984	**4,997**	**6,981**	2,027	5,645	7,672
Other investments	**GBP denominated £'000**	**USD denominated £'000**	**Total £'000**	**GBP denominated £'000**	**USD denominated £'000**	**Total £'000**
Dacian	**-**	**7,339**	**7,339**	-	9,258	9,258
Castle View	**6,553**	**-**	**6,553**	6,553	-	6,553
	6,553	**7,339**	**13,892**	6,553	9,258	15,811
Total investments	**8,537**	**12,336**	**20,873**	8,580	14,903	23,483

Portfolio Management Review (continued)

Basis of valuation:

Quoted investments
Quoted investments for which an active market exists are valued at the closing bid price at the reporting date.

Unquoted direct investments
Unquoted direct investments for which there is no active market are valued using the most appropriate valuation technique with regard to the stage and nature of the investment.

Valuation methods that may be used include:

- investments in an established business are valued using revenue or earnings multiples depending on the stage of development of the business and the extent to which it is generating sustainable revenue or earnings;
- investments in an established business which is generating sustainable revenue or earnings but for which other valuation methods are not appropriate are valued by calculating the discounted value of future cash flows;
- investments in debt instruments or loan notes are determined on a standalone basis, with the initial investment recorded at the price of the transaction and subsequent adjustments to the valuation are considered for changes in credit risk or market rates; and
- convertible instruments are valued by disaggregating the convertible feature from the debt instrument and valuing it using a Black-Scholes model.

Funds
Investments in managed funds are valued at fair value. The general partners of the funds will provide periodic valuations on a fair value basis, the latest available of which the Company will adopt provided it is satisfied that the valuation methods used by the funds are not materially different from the Company's valuation methods. Adjustments will be made to the fund valuation where the Company believes the evidence available supports an alternative valuation.

Performance of the investment portfolio
The return on investments for the six months ended 30 June was as follows:

	Six months ended 30 June 2025			**Six months ended 30 June 2024**		
Asset type	**Realised gains/(losses) £'000**	**Unrealised gains/(losses) £'000**	**Total £'000**	**Realised gains/(losses) £'000**	**Unrealised gains/(losses) £'000**	**Total £'000**
Quoted	**(12)**	**-**	**(12)**	-	(14)	(14)
Unquoted	**23**	**(3,126)**	**(3,103)**	-	(1,491)	(1,491)
Funds	**-**	**(580)**	**(580)**	-	(3,355)	(3,355)
	11	**(3,706)**	**(3,695)**	-	(4,860)	(4,860)
Accrued interest income			**158**			740
Income and fair value adjustments on investment portfolio			**(3,537)**			(4,120)

Portfolio Management Review (continued)

Approximately 59% of the portfolio at 30 June 2025 is denominated in US Dollars (31 December 2024: 63%) and the above table includes the impact of currency movements. In the first six months of 2025, the strengthening of sterling against the US Dollar resulted in an unrealised foreign currency loss of £1.3 million. (2024: unrealised gain of £0.1 million). As is common practice in private equity investment, it is the Board's current policy not to hedge the Company's underlying non-sterling investments.

Quoted investments

Company	Sector	**30 June 2025 £'000**	31 December 2024 £'000
Tialis Essential IT plc	UK technology	**-**	54
Arsenal Digital Holdings Inc	US energy	**5**	5
		5	59

The changes in valuation on the quoted portfolio arose as follows:

	Six months ended 30 June	
Fair value increases/(decreases)	**2025 £'000**	2024 £'000
Realised		
Tialis Essential IT plc	**(12)**	-
	(12)	-
Unrealised		
Tialis Essential IT plc	**-**	(17)
Arsenal Digital Holdings Inc	**-**	(6)
Other quoted holdings	**-**	9
Unrealised foreign currency gains/(losses)	**-**	-
	-	(14)
Total net losses	**(12)**	(14)

Unquoted investments

Company	Sector	**30 June 2025 £'000**	31 December 2024 £'000
Dacian	Romanian energy	**7,339**	9,258
Castle View	Retirement living	**6,553**	6,553
Elateral	UK technology	**1,680**	1,680
Cresco	US consumer	**-**	56
		15,572	17,547

Portfolio Management Review (continued)

The changes in valuation on the unquoted portfolio arose as follows:

	Six months ended 30 June	
	2025	2024
Fair value increases/(decreases)	**£'000**	£'000
Realised		
Medhost	**23**	-
	23	-
Unrealised		
Dacian (See note below)	**(1,763)**	(1,580)
Castle View	**(553)**	-
Cresco	**1**	13
Medhost	**-**	-
Tialis loan notes	**-**	-
Unrealised foreign currency (losses)/gains	**(811)**	76
	(3,126)	(1,491)
Total net losses	**(3,103)**	(1,491)
Income movements		
Interest on Dacian investment	**-**	740
Interest on Castle View investment	**158**	-
	158	740

Valuations are sensitive to changes in the following inputs:

- the operating performance of the individual businesses within the portfolio;
- changes in the revenue and profitability multiples and transaction prices of comparable businesses, which are used in the underlying calculations;
- changes in the estimated future cash flows of the individual businesses which are derived based on judgemental inputs; and
- the discount rates applied to all valuations.

Fund interests

		30 June 2025	31 December 2024
General partner	**Sector**	**£'000**	£'000
Brockton Capital Fund 1	UK real estate	**-**	-
Opus Capital Venture Partners	US venture capital	**3,039**	3,329
GW 2001 Fund	US quoted micro-caps	**1,953**	2,243
EMAC ILF	Europe real estate	**303**	292
Simmons Parallel Energy	UK energy	**1**	1
Other interests		**-**	12
		5,296	5,877

Portfolio Management Review (continued)

The changes in valuation on the Company's fund portfolio arose as follows:

	Six months ended 30 June	
	2025	2024
Fair value increases/(decreases)	**£'000**	£'000
Unrealised		
Brockton Capital Fund 1	**-**	(2,526)
Opus Capital Venture Partners	**(5)**	(826)
GW 2001 Fund	**(94)**	(217)
Simmons Parallel Energy	**-**	176
Others (net)	**(11)**	9
Unrealised foreign currency (losses)/gains	**(470)**	29
Total net losses	**(580)**	(3,355)

Costs
Group costs for the period (including £1.0 million incurred by the Company and £0.4 million by subsidiaries) were £1.4 million (2024: £1.5 million) which include running costs of £0.7 million and investment related costs, being support costs for the Dacian and Castle View investments, of £0.5 million and £0.2 million of costs in relation to the managed realisation.

Taxation
The Group tax provision for the period, all of which arose in the subsidiaries, is £nil (2024: £0.1 million).

Financial Resources and Commitments
At 30 June 2025 cash holdings, including cash in subsidiaries, were £11.3 million (31 December 2024: £13.5 million) and neither the Company nor any of its subsidiaries had any external debt.

At 30 June 2025, subsidiary companies had commitments of £2.5 million (31 December 2024: £2.5 million) to meet outstanding capital calls from fund interests.

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11 August 2025

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Unaudited Condensed Company Income Statement

		Six months ended 30 June	
		2025	2024
	Notes	£'000	£'000
Net losses on investments	5	**(4,554)**	**(4,509)**
Interest income		**645**	**309**
Other income		**-**	**59**
Total losses on investments		**(3,909)**	**(4,141)**
Operating expenses		**(968)**	**(1,042)**
Foreign currency exchange differences		**(21)**	**2**
Loss before tax		**(4,898)**	**(5,181)**
Taxation		**-**	**-**
Loss for the period		**(4,898)**	**(5,181)**
Attributable to:			
Equity shareholders		**(4,898)**	**(5,181)**
Loss per ordinary share – basic	6	**(6.1p)**	**(6.4p)**
Loss per ordinary share – diluted	6	**(6.1p)**	**(6.4p)**

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Unaudited Condensed Company Statement of Other Comprehensive Income

		Six months ended 30 June	
		2025	2024
	Notes	£'000	£'000
Loss for the period		**(4,898)**	**(5,181)**
Other comprehensive income		**-**	**-**
Total comprehensive loss for the period		**(4,898)**	**(5,181)**
Attributable to:			
Equity shareholders		**(4,898)**	**(5,181)**

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Unaudited Condensed Company Statement of Financial Position

	Notes	30 June 2025 £'000	31 December 2024 £'000
Assets			
Non-current assets			
Right-of-use assets		**-**	14
Investments	8	**3,288**	7,842
Amounts receivable from subsidiaries		**19,489**	17,805
Total non-current assets		**22,777**	25,661
Current assets			
Operating and other receivables		**129**	231
Cash		**9,631**	11,646
Total current assets		**9,760**	11,877
Total assets		**32,537**	37,538
Liabilities			
Current liabilities			
Operating and other payables		**(281)**	(462)
Amounts payable to subsidiaries		**(942)**	(921)
Total current liabilities		**(1,223)**	(1,383)
Non-current liabilities			
Other long-term liabilities		**-**	-
Total non-current liabilities		**-**	-
Total liabilities		**(1,223)**	(1,383)
Net assets		**31,314**	36,155
Equity			
Share capital		**8**	8,073
Share premium		**-**	508
Capital redemption reserve		**-**	24,949
Share-based equity		**379**	322
Retained earnings		**30,927**	2,303
Total equity shareholders' funds		**31,314**	36,155
Net asset value per ordinary share	11	**38.79p**	44.79p

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Unaudited Condensed Company Statement of Changes in Equity

Six months ended 30 June 2025

	Share capital	Share premium	Capital redemption reserve	Share-based equity	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2025	**8,073**	**508**	**24,949**	**322**	**2,303**	**36,155**
Comprehensive loss for the period						
Loss for the period	-	-	-	-	(4,898)	(4,898)
Equity after total comprehensive loss for the period	**8,073**	**508**	**24,949**	**322**	**(2,595)**	**31,257**
Contributions by and distributions to shareholders						
Share capital reduction	(8,065)	(508)	(24,949)	-	33,522	-
Share-based payments	-	-	-	57	-	57
Dividends (note 7)	-	-	-	-	-	-
Balance at 30 June 2025	**8**	**-**	**-**	**379**	**30,927**	**31,314**

Six months ended 30 June 2024

	Share capital	Share premium	Capital redemption reserve	Share-based equity	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2024	**8,073**	**508**	**24,949**	**207**	**8,404**	**42,141**
Comprehensive loss for the period						
Loss for the period	-	-	-	-	(5,181)	(5,181)
Equity after total comprehensive loss for the period	**8,073**	**508**	**24,949**	**207**	**3,223**	**36,960**
Contributions by and distributions to shareholders						
Share-based payments	-	-	-	57	-	57
Dividends (note 7)	-	-	-	-	(505)	(505)
Balance at 30 June 2024	**8,073**	**508**	**24,949**	**264**	**2,718**	**36,512**

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Unaudited Condensed Company Cash Flow Statement

	Notes	Six months ended 30 June 2025 £'000	2024 £'000
Cash flows from operating activities			
Loss before tax		**(4,898)**	**(5,181)**
Adjustments for non-cash income and expenses:			
Equity settled share-based payments		**57**	**57**
Depreciation of right-of-use assets		**14**	**14**
Interest expense on lease		**1**	**1**
Losses on investments	5	**4,554**	**4,509**
Other income		**-**	**(59)**
Interest income		**(645)**	**(309)**
Exchange differences on cash balances		**20**	**(2)**
		(897)	**(970)**
Changes in operating assets and liabilities			
Decrease/(increase) in operating and other receivables		**87**	**(27)**
Decrease in operating and other payables		**(173)**	**(43)**
Increase in amounts receivable from subsidiaries		**(1,684)**	**(1,207)**
Increase in amounts payable to subsidiaries		**21**	**5,959**
Net cash (used in)/from operating activities		**(2,646)**	**3,712**
Cash flows from investing activities			
Interest received		**660**	**302**
Other income received		**-**	**59**
Net cash from investing activities		**660**	**361**
Cash flows from financing activities			
Dividends paid	7	**-**	**(505)**
Repayment of principal lease liabilities		**(8)**	**(15)**
Repayment of lease interest		**(1)**	**(1)**
Net cash used in financing activities		**(9)**	**(521)**
Net (decrease)/increase in cash		**(1,995)**	**3,552**
Exchange gains/(losses) on cash balances		**(20)**	**2**
Cash at the beginning of the period		**11,646**	**9,027**
Cash at the end of the period		**9,631**	**12,581**

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Notes to the unaudited financial information

1. Reporting entity

LMS Capital plc ("the Company") is a public limited company limited by shares incorporated in the United Kingdom under the Companies Act and registered in England. These unaudited condensed interim financial statements are presented in pounds sterling because that is the currency of the principal economic environment of the Company's operations.

The Company was formed on 7 March 2006 and commenced operations on 9 June 2006 when it received the demerged investment division of London Merchant Securities.

2. Statement of compliance and basis of preparation

These condensed interim financial statements have been prepared in accordance with IAS 34: 'Interim Financial Reporting'. They do not include all of the information required for full annual financial statements and should be read in conjunction with the Annual Report and Accounts for the year ended 31 December 2024 which were prepared in accordance with UK adopted International Financial Reporting Standards.

The financial information presented in these interim results has been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial information in these interim results are primarily unchanged from those used in the Company's financial statements for the year ended 31 December 2024 and are consistent with those that the Company expects to apply in its financial statements for the year ended 31 December 2025.

These condensed interim financial statements do not comprise statutory accounts within the meaning of section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2024 were approved by the Board of Directors on 27 March 2025 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498 of the Companies Act 2006. The financial information for the periods ended 30 June 2024 and 30 June 2025 are unaudited and have not been reviewed by the Company's auditors.

3. Estimates and management judgements

The preparation of the unaudited condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these unaudited condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation were the same as those that applied to the Company financial statements as at and for the year ended 31 December 2024.

4. Financial risk management

The Company's financial risk management objectives and policy are consistent with those disclosed in the Company financial statements as at and for the year ended 31 December 2024.

Notes to the unaudited financial information (continued)

5. Net losses on investments

The losses on investments were as follows

	Six months ended 30 June 2025			Six months ended 30 June 2024		
Asset type	**Realised gains/(losses) £'000**	**Unrealised gains/(losses) £'000**	**Total £'000**	Realised gains/(losses) £'000	Unrealised gains/(losses) £'000	Total £'000
Quoted	**(12)**	**-**	**(12)**	-	(14)	(14)
Unquoted	**23**	**(3,126)**	**(3,103)**	-	(1,491)	(1,491)
Funds	**-**	**(580)**	**(580)**	-	(3,355)	(3,355)
	11	**(3,706)**	**(3,695)**	-	(4,860)	(4,860)
Charge for incentive plans			**-**			-
Net operating (losses)/income of subsidiaries			**(859)**			351
			(4,554)			(4,509)

6. Loss per ordinary share

The calculation of the basic and diluted loss per share, in accordance with IAS 33, is based on the following data:

	Six months ended 30 June	
	2025	2024
Losses		
Losses for the purpose of net profit per share attributable to equity holders of the parent (£'000)	**(4,898)**	(5,181)
Number of shares		
Weighted average number of ordinary shares for the purposes of basic loss per share	**80,727,450**	80,727,450
Loss per share		
Basic	**(6.1p)**	(6.4p)
Diluted	**(6.1p)**	(6.4p)

Notes to the unaudited financial information (continued)

7. Dividends

No dividends were declared during the period ending 30 June 2025 as the Company has commenced its managed realisation and distributions to shareholders will be made by returns of capital.

Dividends declared during the period ended 30 June 2024 were as follows:

	Dividend date	Payment date	Dividend £'000	Pence per share
Final dividend payment for 2023	31 May 2024	21 June 2024	505	0.625
Total as at 30 June 2024			505	0.625

8. Investments

The Company's investments comprised the following:

	30 June 2025 £'000	31 December 2024 £'000
Total investments	**3,288**	7,842
These comprise:		
Investment portfolio of subsidiaries	**20,873**	23,483
Other net liabilities of subsidiaries	**(17,585)**	(15,641)
	3,288	7,842

The carrying amounts of the investments of the Company's subsidiaries were as follows:

Investment portfolio of subsidiaries Asset type	**30 June 2025 £'000**	31 December 2024 £'000
Quoted	**5**	59
Unquoted	**15,572**	17,547
Funds	**5,296**	5,877
Investment portfolio of subsidiaries	**20,873**	23,483
Other net liabilities of subsidiaries	**(17,585)**	(15,641)
	3,288	7,842

Notes to the unaudited financial information (continued)

8. Investments (continued)

The movement in the investment portfolio were as follows:

	Quoted securities £'000	Unquoted securities £'000	Funds £'000	Other net assets/ (liabilities) of subsidiaries £'000	Total £'000
Balance at 1 January 2024	144	18,837	9,469	(7,596)	20,854
Accrued interest	-	1,041	-	-	1,041
Proceeds from disposals	(29)	-	-	-	(29)
Distributions from partnerships	-	-	(894)	-	(894)
Contributions to partnerships	-	-	55	-	55
Fair value adjustments	(56)	(1,690)	(2,753)	-	(4,499)
Dividends paid	-	-	-	(8,000)	(8,000)
Other movements	-	(641)	-	(45)	(686)
Balance at 31 December 2024	59	17,547	5,877	(15,641)	7,842
Balance at 1 January 2025	**59**	**17,547**	**5,877**	**(15,641)**	**7,842**
Accrued interest	**-**	**158**	**-**	**-**	**158**
Purchases	**-**	**1,049**	**-**	**-**	**1,049**
Proceeds from disposals	**(42)**	**(79)**	**-**	**-**	**(121)**
Distributions from partnerships	**-**	**-**	**(1)**	**-**	**(1)**
Fair value adjustments	**(12)**	**(3,103)**	**(580)**	**-**	**(3,695)**
Other movements	**-**	**-**	**-**	**(1,944)**	**(1,944)**
Balance at 30 June 2025	**5**	**15,572**	**5,296**	**(17,585)**	**3,288**

The following table analyses investments carried at fair value at the end of the period, by the level in the fair value hierarchy into which the fair value measurement is categorised. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets;

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs such as trading comparables and liquidity discounts).

Fair value measurements are based on observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's view of market assumptions in the absence of observable market information.

Notes to the unaudited financial information (continued)

8. Investments (continued)

The significant unobservable inputs used at 30 June 2025 in measuring investments categorised as level 3 are considered below:

1. Unquoted securities (carrying value £15.6 million) are valued using the most appropriate valuation technique such as a revenue-based approach, an earnings-based approach, or a discounted cash flow approach. These investments are sensitive to both the overall market and industry specific fluctuations that can impact multiples and comparable company valuations. In most cases the valuation method uses inputs based on comparable quoted companies for which the key unobservable inputs are:

    - revenue multiples in the range 1.5–2.5 times, also dependent on attributes at individual investment level; and

    - Discounts applied of up to 40%, to reflect the illiquidity risk of the unquoted companies. The discount used requires the exercise of judgement taking into account factors specific to individual investments such as size and rate of growth compared to other companies in the sector.

2. Investments in funds (carrying value £5.3 million) are valued using the reported NAV from the general partners of the fund interests with adjustments made for calls, distributions and foreign currency movements since the date of the report (if prior to 30 June 2025). The reported NAVs of the funds are fair value based. The Company also carries out its own review of individual funds and their portfolios to satisfy ourselves that the underlying valuation bases are consistent with our basis of valuation and knowledge of the investments and the sectors in which they operate. However, the degree of detail on valuations varies significantly by fund and, in general, details of unobservable inputs used are not available.

The valuation of the investments in subsidiaries makes use of multiple interdependent significant unobservable inputs and it is impractical to sensitise variations of any one input on the value of the investment portfolio as a whole. Estimates and underlying assumptions are reviewed on an ongoing basis however inputs are highly subjective. Changes in any one of the variables, earnings or revenue multiples or illiquidity discounts could potentially have a significant effect on the valuation.

The Company's investments are analysed as follows:

	30 June 2025 £'000	31 December 2024 £'000
Level 1	**-**	-
Level 2	**-**	-
Level 3	**3,288**	7,842
	3,288	7,842

Notes to the unaudited financial information (continued)

8. Investments (continued)

Level 3 includes:

	30 June 2025 £'000	31 December 2024 £'000
Investment portfolio of subsidiaries	**20,873**	23,483
Other net liabilities of subsidiaries	**(17,585)**	(15,641)
	3,288	7,842

The investment portfolio of subsidiaries includes quoted investments of £5,000 (2024: £59,000). There were no transfers between levels during the period ending 30 June 2025.

9. Capital commitments

	30 June 2025 £'000	31 December 2024 £'000
Outstanding commitments to funds	**2,464**	2,458
	2,464	2,458

The outstanding commitments to funds comprise unpaid capital calls in respect of funds where a subsidiary of the Company is a limited partner.

As of 30 June 2025 the Company has no other contingencies or commitments to disclose (2024: £nil).

10. Related party transactions

The related parties of LMS Capital plc are its Directors.

The salaries paid to the Directors of the Company for the period were £240,612 (June 2024: £243,387).

As at 30 June 2025, the Directors of the Company had the following beneficial interests in the ordinary shares of the Company:

Director	30 June 2025 Number of shares	31 December 2024 Number of shares
J Wilson	**1,041,905**	1,041,905
R Rayne	**2,670,124**	2,670,124
N Friedlos	**661,410**	661,410
P Harvey	**20,000**	20,000
G Stedman	**20,000**	20,000

Notes to the unaudited financial information (continued)

11. Net asset value per share

The net asset value per ordinary share in issue is as follows:

	30 June 2025	31 December 2024
Net assets (£'000)	**31,314**	36,155
Number of ordinary shares in issue	**80,727,450**	80,727,450
Net asset value per share (pence)	**38.79**	44.79

12. Subsequent events

The Company made its first return of capital to shareholders of 2 pence per share, totalling £1,614,549 on 28 July 2025.

There are no other subsequent events that would materially affect the interpretation of these Financial Statements.

LMS CAPITAL plc
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Statement of Directors' responsibilities

The Directors listed on pages 19 and 20 of the Company's Annual Report for the year ended 31 December 2024 continued in office during the six months ended 30 June 2025.

We confirm that to the best of our knowledge:

a the condensed interim financial statements have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority; and

b the interim management report includes a fair review of the information required by:

   i DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the current financial year and their impact on the condensed interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and

   ii DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

Nicholas Friedlos
Director

5 August 2025