

12 December 2024

## Corp

|                      |               |
|----------------------|---------------|
| <b>Ticker</b>        | PMG:AIM       |
| <b>Oil &amp; Gas</b> |               |
| Shares in issue (m)  | 109.3         |
| Next results         | H1 May        |
| <b>Price</b>         | <b>13.8p</b>  |
| Target price         | 66.5p         |
| Upside               | 383%          |
| <b>Market Cap</b>    | <b>£15.0m</b> |
| Net debt/(cash)      | -£11.8m       |
| Other EV adjustments | £0.0m         |
| Enterprise value     | £3.3m         |

|                        |             |           |
|------------------------|-------------|-----------|
| <b>What's changed?</b> | <b>From</b> | <b>To</b> |
| Adjusted EPS           | -           | n/c       |
| Target price           | 66.5        | n/c       |

## Share price performance



| %      | 1M   | 3M   | 12M  |
|--------|------|------|------|
| Actual | 17.0 | 35.8 | -3.5 |

## Company description

Parkmead has four divisions offering a broad set of growth opportunities in oil, gas and renewables.

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## Parkmead Group\*

## Sale of two UK Offshore Oil Licences

Parkmead has signed an agreement to sell its UK offshore oil portfolio to Serica Energy in a deal that could be worth up to £134m. Whilst the headline consideration consists of £14m of firm cash consideration and up to £120m of contingent cash consideration (linked to the development of the Skerryvore and Fynn Beaully projects), the actual firm value to Parkmead is c£30m, and includes the estimated £16m liability associated with the drilling of the Skerryvore commitment well (planned for Q3/Q4 2025). The deal removes any risk or further financial commitment for Parkmead to either development whilst also allowing the Company to retain a significant share of the upside should either/both developments proceed. Importantly, the transaction allows Parkmead to retain all its revenue generating assets, comprising its Dutch natural gas fields and its UK wind farm. The near-term cash consideration of £14m puts Parkmead in a strong financial position to pursue future growth, without the need for shareholder dilution.

— **Rationale** Given the potential capital requirements needed to progress Skerryvore (including the Skerryvore commitment well in Q3/Q4 2025) and Fynn Beaully through appraisal and development and the ongoing political and environmental headwinds towards the oil & gas industry in the UK, Parkmead believes that the opportunity to progress its UK North Sea oil & gas licences would be best served within the portfolio of a larger, North Sea focussed company, enabling Parkmead to apply its expertise and the Company's resources on growing its Netherlands gas assets and its projects in renewable energies.

— **No Risk, High Upside Value** The consideration for the sale consists of £14m of firm cash consideration and up to £120m of contingent cash consideration. An initial payment of £5m is payable on completion of the sale (expected 1H25). Three further deferred firm payments totalling £9m are payable in instalments of £2.0m, £3.1m and £3.9m on the 27 February 2025, 27 February 2026 and 27 February 2027, respectively. Two contingent payments are payable upon receipt by Serica of approval by the North Sea Transition Authority of any field development plan (FDP) relating to any development on licence P2400 (containing the Skerryvore prospect) or licence P2634 (containing the Fynn Beaully oil discovery). These payments are to be calculated based on £0.8/bbl of the 2P reserves contained within the respective FDP net to Parkmead's 50% working interest in each licence, subject to caps of £30m (in relation to licence P2400) and £90m (in relation to licence P2634).

— **Future Strategy** In the Netherlands, the co-venturers are working to identify and develop several short cycle, rapid payback drilling and workover opportunities. The team is also continuing to progress a joint venture agreement for a major wind farm of up to 100MW centred around the Company's owned land at Pitreadie. The Company is also well positioned to pursue value-adding acquisition opportunities, specifically further cashflow generating renewable energy assets onshore UK and international E&P opportunities with the aim of delivering value for shareholders.

— **Valuation** We update our valuation pro-rata the completion of the Serica transaction, removing Parkmead's UK offshore oil and gas assets and liabilities, and adding in the firm and contingent consideration. We maintain our valuation and target price at 66.5p, representing a 383% premium to yesterday's close.

| Key estimates |    | 2020A | 2021A | 2022A | 2023A | 2024A |
|---------------|----|-------|-------|-------|-------|-------|
| Year end:     |    | Jun   | Jun   | Jun   | Jun   | Jun   |
| Revenue       | £m | 4.1   | 3.6   | 12.1  | 14.8  | 5.7   |
| Adj EBITDA    | £m | 0.3   | -0.9  | 8.2   | -21.5 | 2.4   |
| Adj EBIT      | £m | -0.5  | -1.5  | 7.5   | -22.2 | 1.4   |
| Adj PBT       | £m | -0.7  | -2.6  | 6.3   | -22.3 | 1.1   |
| Adj EPS       | p  | 0.5   | -2.2  | 1.2   | 3.0   | 4.1   |
| DPS           | p  | 0.0   | 0.0   | 0.0   | 0.0   | 0.0   |

| Key valuation metrics |   | 2020A  | 2021A  | 2022A | 2023A  | 2024A |
|-----------------------|---|--------|--------|-------|--------|-------|
| EV/sales              | x | 0.8    | 0.9    | 0.3   | 0.2    | 0.6   |
| EV/EBIT (adj)         | x | -6.7   | -2.1   | 0.4   | -0.1   | 2.4   |
| P/E (adj)             | x | 30.2   | -6.2   | 11.7  | 4.6    | 3.4   |
| Dividend yield        | % | 0.0%   | 0.0%   | 0.0%  | 0.0%   | 0.0%  |
| Free cash yield       | % | -31.5% | -13.2% | -6.0% | -72.6% | -8.1% |

## Sale of two UK Offshore Oil Licences

| Income statement                     |           | 2021A       | 2022A      | 2023A        | 2024A      |
|--------------------------------------|-----------|-------------|------------|--------------|------------|
| Year end:                            |           | Jun         | Jun        | Jun          | Jun        |
| Sales                                | £m        | 3.6         | 12.1       | 14.8         | 5.7        |
| Gross profit                         | £m        | 2.3         | 11.6       | 13.3         | 4.5        |
| EBITDA (adjusted)                    | £m        | -0.9        | 8.2        | -21.5        | 2.4        |
| <b>EBIT (adjusted)</b>               | <b>£m</b> | <b>-1.5</b> | <b>7.5</b> | <b>-22.2</b> | <b>1.4</b> |
| Associates/other                     | £m        | -0.4        | 0.0        | 0.0          | 0.0        |
| Net interest                         | £m        | -0.7        | -1.2       | -0.1         | -0.3       |
| <b>PBT (adjusted)</b>                | <b>£m</b> | <b>-2.6</b> | <b>6.3</b> | <b>-22.3</b> | <b>1.1</b> |
| Total adjustments                    | £m        | -10.9       | -2.3       | -13.0        | -0.0       |
| PBT (stated)                         | £m        | -13.5       | 4.0        | -35.3        | 1.1        |
| Tax charge                           | £m        | -0.4        | -4.8       | -7.0         | 3.9        |
| Minorities/Disc ops                  | £m        | 0.0         | 0.0        | 0.0          | 0.0        |
| Reported earnings                    | £m        | -13.8       | -0.8       | -42.3        | 4.9        |
| <b>Adjusted earnings</b>             | <b>£m</b> | <b>-2.6</b> | <b>1.4</b> | <b>3.6</b>   | <b>4.9</b> |
| Shares in issue (year end)           | m         | 109.2       | 109.3      | 109.3        | 109.3      |
| EPS (stated)                         | p         | -12.7       | -0.7       | -38.7        | 4.5        |
| <b>EPS (adjusted, fully diluted)</b> | <b>p</b>  | <b>-2.2</b> | <b>1.2</b> | <b>3.0</b>   | <b>4.1</b> |
| <b>DPS</b>                           | <b>p</b>  | <b>0.0</b>  | <b>0.0</b> | <b>0.0</b>   | <b>0.0</b> |

| Cash flow                            |           | 2021A       | 2022A       | 2023A        | 2024A       |
|--------------------------------------|-----------|-------------|-------------|--------------|-------------|
| Year end:                            |           | Jun         | Jun         | Jun          | Jun         |
| EBITDA                               | £m        | -0.9        | 8.2         | -21.5        | 2.4         |
| Net change in working capital        | £m        | -1.1        | -0.6        | 0.0          | -0.9        |
| Other operating items                | £m        | 0.8         | 0.4         | 32.9         | -0.0        |
| <b>Cash flow from op. activities</b> | <b>£m</b> | <b>-1.2</b> | <b>8.0</b>  | <b>11.4</b>  | <b>1.5</b>  |
| Cash interest                        | £m        | 0.0         | 0.0         | 0.1          | -0.1        |
| Cash tax                             | £m        | -0.1        | -3.5        | -4.9         | 0.8         |
| Capex                                | £m        | -0.7        | -3.8        | -0.5         | -0.6        |
| Other items                          | £m        | -0.0        | -1.7        | -17.0        | -2.8        |
| <b>Free cash flow</b>                | <b>£m</b> | <b>-2.0</b> | <b>-0.9</b> | <b>-10.9</b> | <b>-1.2</b> |
| Acquisitions / disposals             | £m        |             |             |              |             |
| Dividends                            | £m        |             |             |              |             |
| Shares issued                        | £m        | 0.0         | 0.0         | 0.0          | 0.0         |
| Other                                | £m        | -4.4        | -0.1        | -0.4         | -0.3        |
| <b>Net change in cash flow</b>       | <b>£m</b> | <b>-2.4</b> | <b>-0.1</b> | <b>-11.7</b> | <b>-2.1</b> |
| Opening net cash (debt)              | £m        | 25.0        | 25.8        | 25.2         | 13.7        |
| <b>Closing net cash (debt)</b>       | <b>£m</b> | <b>25.8</b> | <b>25.2</b> | <b>13.7</b>  | <b>11.8</b> |

| Balance sheet                |           | 2021A       | 2022A       | 2023A       | 2024A       |
|------------------------------|-----------|-------------|-------------|-------------|-------------|
| Year end:                    |           | Jun         | Jun         | Jun         | Jun         |
| Tangible fixed assets        | £m        | 19.3        | 22.5        | 10.1        | 9.7         |
| Goodwill & other intangibles | £m        | 31.7        | 35.4        | 3.1         | 3.6         |
| Other non current assets     | £m        | 2.9         | 3.1         | 0.0         | 0.0         |
| Net working capital          | £m        | -2.1        | -20.7       | -1.6        | -0.2        |
| Other assets                 | £m        | 0.0         | 0.0         | 2.9         | 2.9         |
| Other liabilities            | £m        | -17.0       | -5.6        | -10.5       | -5.1        |
| Gross cash & cash equivs     | £m        | 23.4        | 23.3        | 11.6        | 9.5         |
| <b>Capital employed</b>      | <b>£m</b> | <b>58.2</b> | <b>57.9</b> | <b>15.5</b> | <b>20.3</b> |
| Gross debt                   | £m        | 0.5         | 0.9         | 0.9         | 0.7         |
| Net pension liability        | £m        | 0.0         | 0.0         | 0.0         | 0.0         |
| Shareholders equity          | £m        | 57.7        | 57.0        | 14.7        | 19.6        |
| Minorities                   | £m        | 0.0         | 0.0         | 0.0         | 0.0         |
| <b>Capital employed</b>      | <b>£m</b> | <b>58.2</b> | <b>57.9</b> | <b>15.5</b> | <b>20.3</b> |

| Growth analysis |   | 2021A   | 2022A  | 2023A   | 2024A  |
|-----------------|---|---------|--------|---------|--------|
| Year end:       |   | Jun     | Jun    | Jun     | Jun    |
| Sales growth    | % | -11.6%  | 236.1% | 21.8%   | -61.3% |
| EBITDA growth   | % | -430.6% | n/m    | -361.5% | 111.2% |
| EBIT growth     | % | -212.2% | 592.2% | -396.4% | 106.2% |
| PBT growth      | % | -248.5% | 342.2% | -456.6% | 105.0% |
| EPS growth      | % | -589.6% | 152.6% | 156.4%  | 35.4%  |
| DPS growth      | % | n/m     | n/m    | n/m     | n/m    |

| Profitability analysis |   | 2021A  | 2022A | 2023A   | 2024A |
|------------------------|---|--------|-------|---------|-------|
| Year end:              |   | Jun    | Jun   | Jun     | Jun   |
| Gross margin           | % | 64.9%  | 95.4% | 89.7%   | 78.4% |
| EBITDA margin          | % | -25.3% | 67.8% | -145.6% | 42.1% |
| EBIT margin            | % | -42.2% | 61.8% | -150.5% | 24.1% |
| PBT margin             | % | -71.6% | 51.6% | -151.0% | 19.5% |
| Net margin             | % | -73.3% | 11.5% | 24.1%   | 86.4% |

| Valuation analysis |   | 2021A | 2022A | 2023A | 2024A |
|--------------------|---|-------|-------|-------|-------|
| Year end:          |   | Jun   | Jun   | Jun   | Jun   |
| EV/EBITDA          | x | -3.6  | 0.4   | -0.2  | 1.4   |
| EV/EBIT            | x | -2.1  | 0.4   | -0.1  | 2.4   |
| P/E                | x | -6.2  | 11.7  | 4.6   | 3.4   |

| Cash flow analysis                |    | 2021A    | 2022A  | 2023A   | 2024A  |
|-----------------------------------|----|----------|--------|---------|--------|
| Year end:                         |    | Jun      | Jun    | Jun     | Jun    |
| Cash conv'n (op cash / EBITDA)    | %  | n/m      | 97.7%  | n/m     | 63.0%  |
| Cash conv'n (FCF / EBITDA)        | %  | 217.7%   | -10.9% | 50.7%   | -50.4% |
| U/lying FCF (capex = deprn)       | £m | -1.9     | 2.2    | -11.1   | -1.6   |
| Cash quality (u/l FCF / adj earn) | %  | 72.5%    | 155.6% | -311.7% | -33.1% |
| Investment rate (capex / deprn)   | x  | 1.1      | 5.2    | 0.7     | 0.6    |
| Interest cash cover               | x  | net cash | n/a    | n/a     | 21.4   |
| Dividend cash cover               | x  | n/a      | n/a    | n/a     | n/a    |

| Working capital analysis    |      | 2021A  | 2022A   | 2023A  | 2024A |
|-----------------------------|------|--------|---------|--------|-------|
| Year end:                   |      | Jun    | Jun     | Jun    | Jun   |
| Net working capital / sales | %    | -57.4% | -170.8% | -11.0% | -4.3% |
| Net working capital / sales | days | -210   | -623    | -40    | -16   |
| Inventory (days)            | days | 7      | 1       | 0      | 0     |
| Receivables (days)          | days | 137    | 61      | 23     | 104   |
| Payables (days)             | days | 353    | 685     | 64     | 120   |

| Leverage analysis              |   | 2021A    | 2022A    | 2023A    | 2024A    |
|--------------------------------|---|----------|----------|----------|----------|
| Year end:                      |   | Jun      | Jun      | Jun      | Jun      |
| Net debt / equity              | % | net cash | net cash | net cash | net cash |
| Net debt / EBITDA              | x | n/a      | net cash | n/a      | net cash |
| Liabilities / capital employed | % | 0.9%     | 1.6%     | 5.5%     | 3.3%     |

| Capital efficiency & intrinsic value |   | 2021A | 2022A | 2023A   | 2024A |
|--------------------------------------|---|-------|-------|---------|-------|
| Year end:                            |   | Jun   | Jun   | Jun     | Jun   |
| Adjusted return on equity            | % | -4.6% | 2.4%  | 24.3%   | 25.2% |
| RoCE (EBIT basis, pre-tax)           | % | -2.6% | 12.9% | -143.2% | 6.8%  |
| RoCE (u/lying FCF basis)             | % | -3.3% | 3.7%  | -71.6%  | -8.1% |
| NAV per share                        | p | 52.9  | 52.2  | 13.4    | 18.0  |
| NTA per share                        | p | 23.9  | 19.7  | 10.6    | 14.7  |

## Sale of Parkmead (E&P)

Parkmead has signed an agreement with Serica Energy (UK) Limited for the sale of the Company's wholly owned subsidiary Parkmead (E&P) Ltd.

The subsidiary currently holds Parkmead's UK offshore oil licences together with its Netherlands onshore gas licences. The Netherlands asset portfolio is excluded from the scope of the transaction and will be retained by the Group. Therefore, Parkmead is retaining 100% of its revenue producing assets, which comprise its Dutch natural gas fields and its UK wind farm, all of which are onshore.

## Reducing capital requirements whilst retaining upside

Through the sale of Parkmead's UK offshore oil business, Parkmead has no further capital investment requirements, but retains a very attractive share of the upside should developments at Skerryvore and/or Fynn Beaully proceed.

The consideration for the sale being received by Parkmead consists of £14m of firm cash consideration and up to £120m of contingent cash consideration:

- An initial payment of £5m, payable at completion of the sale.
- Three further deferred payments totalling £9m, payable in instalments of £2.0m, £3.1m and £3.9m on 27 February 2025, 27 February 2026 and 27 February 2027, respectively. These future payments are firm and not subject to any conditions.
- Two contingent payments, payable upon receipt by Serica of approval by the North Sea Transition Authority (NSTA) for any field development plan (FDP) relating to any development on licence P2400 (containing the Skerryvore prospect) or licence P2634 (containing the Fynn Beaully oil discovery). These payments are to be calculated based on £0.8/bbl of the 2P reserves contained within the respective FDP net to the Subsidiary's current 50% working interest in each licence, subject to caps of £30 million (in relation to licence P2400) and £90 million (in relation to licence P2634).

**Figure 1: Consideration Overview**

|  |                    |
|--|--------------------|
| Initial Payment                                  | £5m                |
| Deferred Payments                                | £9m                |
| Total Firm Consideration                         | £14m               |
| Contingent Skerryvore Payment                    | Up to £30m         |
| Contingent Fynn Beaully Payment                  | Up to £90m         |
| Total Contingent Consideration                   | Up to £120m        |
| <b>Total Consideration (Firm and Contingent)</b> | <b>Up to £134m</b> |

Source: The Parkmead Group

Whilst the headline consideration consists of £14m of firm cash consideration and up to £120m of contingent cash consideration, the actual firm value to Parkmead is c£30m, and includes the estimated £16m liability associated with the drilling of the Skerryvore commitment well (planned for Q3/Q4 2025).

Given the potential capital requirements needed (including the near-term drilling of the Skerryvore well in 2025) to progress the Skerryvore and Fynn Beaully assets through appraisal and development and the continuing political and environmental headwinds facing the UK oil & gas sector, Parkmead believes that the opportunity to progress both licences would be best served within the portfolio of a larger, North Sea focused company, enabling Parkmead to apply its expertise and the Company's resources on growing its Netherlands gas assets and its projects in renewable energies.

The sale removes any risk to Parkmead from either the Skerryvore or the Fynn Beaully projects, whilst also retaining an attractive portion of the potential upside should either/both projects reach FDP approval.

## Well-funded without shareholder dilution

The firm, near-term cash consideration totalling £14m, together with Parkmead's existing cash means the Group is well funded to pursue the next phase of its growth plans in natural gas, renewables and international E&P.

## Sale of two UK Offshore Oil Licences

In the Netherlands, the co-venturers are working to identify and develop a number of short-cycle, rapid payback drilling and workover opportunities. The Parkmead team is also progressing a JV agreement for a major wind farm of up to 100MW centred around the Company's owned land at Pitreadie.

Parkmead is also well positioned to pursue value-adding acquisition opportunities. The Board is focused on targeting the acquisition of further cashflow generating renewable energy assets onshore UK and on international E&P opportunities with the aim of delivering value for shareholders.

## Valuation

We update our valuation to remove all Parkmead's UK offshore oil assets (e.g. Lowlander/Midlander, Fynn Beaully and Fynn Andrew in P2634 and Skerryvore in P2400). We have also removed Parkmead's decommissioning liabilities from our valuation and the NPV of its UK tax losses.

We have added the firm payments of £14m and the contingent payments for Skerryvore and Fynn Beaully to our valuation, risking both contingent payments in-line with our previous risking for Skerryvore (7% chance of success) and Fynn Beaully (30% chance of success). We note that this approach is conservative as our previous risking was based on both projects commencing production, whereas for Parkmead to be paid its contingent consideration the projects only have to reach FDP approval.

We maintain our valuation at 66.5p, a 383% premium to yesterday's closing price.

**Figure 2: Parkmead Valuation – 66.5p – A 3.8x Multiple**

| Net Asset Valuation  | Net resource<br>mmboe | NPV/bbl<br>US\$/boe | Unrisked NPV<br>US\$m | Unrisked NPV<br>p/sh | Geological<br>CoS | Commercial<br>CoS | Dry hole<br>cost US\$m | Risked NPV<br>US\$m | Risked NPV<br>p/sh |
|--|-----------------------|---------------------|-----------------------|----------------------|-------------------|-------------------|------------------------|---------------------|--------------------|
| Net cash / (debt)  |                       |                     | 14.1                  | 9.7                  |                   |                   |                        | 14.1                | 9.7                |
| G&A  |                       |                     | -13.0                 | -8.9                 |                   |                   |                        | -13.0               | -8.9               |
| Options/SARs   |                       |                     | 4.4                   | 3.0                  |                   |                   |                        | 4.4                 | 3.0                |
| Serica Energy Initial Cash Payment                           |                       |                     | 6.0                   | 4.1                  |                   |                   |                        | 6.0                 | 4.1                |
| Serica Energy Deferred Payments                              |                       |                     | 10.8                  | 7.4                  |                   |                   |                        | 10.8                | 7.4                |
| Serica Energy Contingent Skerryvore Payment                  |                       |                     | 36.0                  | 24.7                 | 24%               | 30%               |                        | 2.6                 | 1.8                |
| Serica Energy Contingent Fynn Beaully Payment                |                       |                     | 108.0                 | 74.2                 | 100%              | 30%               |                        | 32.4                | 22.3               |
| Pitreadie Farm Ltd land (@ cost adjusted for land sales)     |                       |                     | 5.4                   | 3.7                  |                   |                   |                        | 5.4                 | 3.7                |
|  |                       |                     | <b>171.7</b>          | <b>117.9</b>         |                   |                   |                        | <b>62.7</b>         | <b>43.1</b>        |
| <b>Producing assets</b>                                      |                       |                     |                       |                      |                   |                   |                        |                     |                    |
| Kempstone Hill 1.5MW Wind Farm                               |                       |                     | 4.3                   | 3.0                  |                   | 100%              |                        | 4.3                 | 3.0                |
| Netherlands producing  | 0.5                   | 6.54                | 3.3                   | 2.3                  | 100%              | 100%              |                        | 3.3                 | 2.3                |
| <b>Core value:</b>   |                       |                     | <b>179.4</b>          | <b>123.2</b>         |                   |                   |                        | <b>70.4</b>         | <b>48.3</b>        |
| <b>Contingent resource:</b>                                  |                       |                     |                       |                      |                   |                   |                        |                     |                    |
| Netherlands - Papekop  | 0.8                   | 8.57                | 6.7                   | 4.6                  | 100%              | 75%               |                        | 5.0                 | 3.5                |
| Netherlands - Ottoland                                       | 0.7                   | 8.57                | 5.9                   | 4.1                  | 100%              | 50%               |                        | 3.0                 | 2.0                |
| <b>Contingent value:</b>                                     |                       |                     | <b>12.6</b>           | <b>8.7</b>           |                   |                   |                        | <b>8.0</b>          | <b>5.5</b>         |
| <b>Prospective resource:</b>                                 |                       |                     |                       |                      |                   |                   |                        |                     |                    |
| Netherlands - Drenthe VI prospects                           | 2.0                   | 8.57                | 17.4                  | 12.0                 | 37%               | 75%               | 4.7                    | 2.4                 | 1.6                |
| <b>Prospective value:</b>                                    |                       |                     | <b>17.4</b>           | <b>12.0</b>          |                   |                   | <b>4.7</b>             | <b>2.4</b>          | <b>1.6</b>         |
| <b>Renewables developments:</b>                              | <b>US\$/MW</b>        | <b>IRR %</b>        |                       |                      |                   |                   |                        |                     |                    |
| Pitreadie 20MW Wind Farm                                     | 0.90                  | 19.6%               | 18.0                  | 12.4                 |                   | 40%               |                        | 7.2                 | 4.9                |
| Pitreadie 50MW Solar Farm                                    | 0.67                  | 12.2%               | 13.4                  | 9.2                  |                   | 40%               |                        | 5.4                 | 3.7                |
| Brachmonth 30MW Solar Farm                                   | 0.44                  | 12.1%               | 8.7                   | 6.0                  |                   | 40%               |                        | 3.5                 | 2.4                |
| <b>Renewables development value:</b>                         |                       |                     | <b>40.1</b>           | <b>27.6</b>          |                   |                   |                        | <b>16.0</b>         | <b>11.0</b>        |
| <b>Total - Core + Contingent + Prospective + Renewables:</b> |                       |                     | <b>249.6</b>          | <b>171.4</b>         |                   |                   |                        | <b>96.8</b>         | <b>66.5</b>        |

Source: Cavendish

## Investment risk

Investing in shares presents risks and opportunities. The past is not necessarily a guide to the future performance of an investment. The value of investments and the income derived from them may fall as well as rise and investors may not get back the amount invested. Some investments discussed in this publication may have a high level of volatility. High volatility investments may experience sudden and large falls in their value which may cause losses. The information on future performance in this communication is an illustration and is not a reliable guide to actual future performance.

### Non-UK stocks

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### Recommendations definitions

Definition of research recommendations

Expected absolute returns

BUY is an expected return greater than 10%

HOLD is an expected return -10% - +10%

SELL is an expected return less than -10%

UNDER REVIEW: recommendation and/or forecasts are under review pending further clarity as to the company's financial and/or operational position

CORP: denotes corporate client of Cavendish Securities plc, Cavendish Capital Markets Limited and Cavendish Corporate Finance LLP

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### Distribution of investment recommendations as per 11/12/2024

|              | Corporate client no. | Corporate client % | Total no. | Total % |
|--------------|----------------------|--------------------|-----------|---------|
| Buy          | 2                    | 1.4%               | 20        | 12.1%   |
| Hold         | 0                    | 0.0%               | 1         | 0.6%    |
| Sell         | 0                    | 0.0%               | 0         | 0.0%    |
| Under Review | 0                    | 0.0%               | 0         | 0.0%    |
| Corp         | 134                  | 96.4%              | 144       | 87.3%   |

Temporary movements by stocks across the boundaries of these categories due to share price volatility will not necessarily trigger a recommendation change. All recommendations are based on 12-month time horizon unless otherwise stated.

### Recommendation history

| Company        | Disclosures   | Date           | Rec  | Price | Target price |
|----------------|---------------|----------------|------|-------|--------------|
| Parkmead Group | 2,6,8,9,10,11 | 20 November 20 | Corp | 30.0p | 155.0p       |

Source: Cavendish

A list of all the recommendations produced/issued by the relevant Sales Person / Research Analyst on any financial instrument or issuer disseminated during the preceding 12 months is available upon request free of charge. Please contact the appropriate Cavendish analyst or your Cavendish contact on 020 7220 0500.

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