

Regulatory Story

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Adams PLC - ADA Shareholder Loan
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Adams PLC
29 January 2019

Adams plc

("Adams" or the "Company")

Shareholder Loan

Adams is an investing company with an investing policy under which the Board is seeking to acquire interests in special situation investment opportunities that have an element of distress, dislocation, dysfunction or other special situation attributes and that the Board perceives to be undervalued. The principal focus is in the small to middle-market capitalisation sectors in the UK or Europe, but the directors will also consider possible special situation opportunities anywhere in the world.

The Company believes there is potential to yield increased investment returns if Adams has access to further cash resources to finance additional special situation investment opportunities. In support of the Company's investment strategy, Adams's largest shareholder, Richard Griffiths and his controlled company, Blake Holdings Limited ("Blake" or "the Lender"), have agreed to provide Adams with loan funding pursuant to which Blake has today entered into an agreement with the Company for the provision of an unsecured loan facility of up to £3 million in total (the "Loan Facility").

The Loan Facility may be drawn down by the Company in minimum tranches of £500,000 and has no fixed term, but is repayable in full or in part six months after any repayment notice issued by either the Lender or the Company. Interest accrues daily based on a rate of 7 per cent. per annum and is paid six monthly in arrears. No arrangement, commitment or exit fees have or will be charged.

As Richard Griffiths and Blake are substantial shareholders in the Company, Blake is deemed to be a related party pursuant to the AIM Rules for Companies (the "AIM Rules"). The entering into the Loan Facility is therefore a related party transaction for the purposes of Rule 13 of the AIM Rules.

Michael Bretherton, Chairman, is not independent for the purposes of the related party transaction given that he is also a director of Blake, in which he holds no shares. The other directors of Adams, Nick Woolard and Andy Mitchell, are both deemed independent for these purposes and consider, having consulted with the Company's nominated adviser, Cairn Financial Advisers LLP, that the terms of the Loan Facility are fair and reasonable insofar as the shareholders of Adams are concerned.

Market Abuse Regulation (MAR) Disclosure

Certain information contained in this announcement would have been deemed inside information for the purposes of Article 7 of Regulation (EU) No 596/2014 until the release of this announcement.

Enquiries:**Adams plc**

Mike Bretherton

Tel: +44 1534 719 761

Nomad**Cairn Financial Advisers LLP**

Sandy Jamieson, James Caithie

Tel: +44 207 213 0880

Broker**Peterhouse Corporate Finance Limited**

Lucy Williams, Duncan Vasey

Tel: +44 207 469 0930

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