

**ADAMS PLC**

**INTERIM FINANCIAL STATEMENTS**

**FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2022**

# ADAMS PLC

## CONTENTS

Company information	1
Chairman's statement	2
Condensed statement of comprehensive income	6
Condensed statement of financial position	7
Condensed statement of changes in equity	8
Condensed statement of cash flows	9
Notes to the condensed financial statements	10

# ADAMS PLC

## COMPANY INFORMATION

<b>Directors</b>	M A Bretherton (Chairman) N J Woolard (non-executive Director) A R J Mitchell (non-executive Director)
<b>Secretary</b>	P P Scales
<b>Registrar and Registered office</b>	FIM Capital Limited 55 Athol Street Douglas Isle of Man IM1 1LA
<b>Auditors</b>	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
<b>Nominated Advisor</b>	Cairn Financial Advisers LLP 9th Floor 107 Cheapside London EC2V 6DN
<b>Broker</b>	Peterhouse Capital Limited 3 <sup>rd</sup> Floor 80 Cheapside London EC2V 6EE
<b>Crest Agent</b>	Share Registrars Limited 3 The Millennium Centre Crosby Way Farnham Surrey GU9 7XX

# ADAMS PLC

## CHAIRMAN'S STATEMENT

### FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022

Adams Plc ("Adams" or the "Company") reported a loss after tax of £1.03 million for the half year to 30 September 2022, compared to a loss of £0.65 million in the comparative half year ended 30 September 2021. The increased loss reflects continuing difficult financial market conditions and is principally due to investment return losses of £0.95 million coupled with overhead costs of £0.08 million (September 2021 half year: investment return losses of £0.57 million coupled with overhead costs of £0.08 million).

During the six months ended 30 September 2022, the Company spent £0.63 million on two equity investments, one of which was a new investment and the other being a follow-on investment. There were no investment realisations during the period, but the reported half year loss includes a £0.10 million full write down of our small investment in 4D Pharma Plc which went into administration on 24 June 2022.

Adams held eleven investments as at 30 September 2022, of which nine were listed and two were un-listed, and for which the total investment carrying value was £6.30 million (31 March 2022: £6.62 million, represented by nine listed and two un-listed investment holdings).

The Company held cash balances of £0.16 million as at 30 September 2022, compared to cash balances of £0.87 million at the previous 31 March 2022 year end. Net assets reduced to £6.45 million (equivalent to 4.42p per share) at the 30 September 2022 balance sheet date, compared with £7.48 million (equivalent to 5.13p per share) at 31 March 2022. The £1.03 million decrease in net assets reflects the loss reported for the period.

#### **Business model and investing policy**

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 if they believe there is an opportunity to generate added value for shareholders.

#### **Investment Portfolio**

The principal listed investments held by the Company at 30 September 2022 comprised Niox Group Plc ("Niox" formerly known as Circassia Group Plc), C4X Discovery Holdings Plc ("C4XD"), Seeing Machines Limited ("Seeing Machines") and Access Intelligence Plc ("Access Intelligence") and Adams also holds Oxehealth Limited ("Oxehealth") and Telit IOT Solutions Limited ("Telit") as principal unquoted investments.

**Niox** is an AIM listed global medical device company focused on point of care asthma diagnosis and management. Following a major restructuring and the transfer of the Tudorza and Duaklir products back to AstraZeneca in March 2021, Niox has now been transformed into a debt-free business with a strong NIOX® asthma management products based continuing operations business. The group is progressing its transition to a distributor-led business model with new arrangements in the USA and China expected to drive scalable growth as it continues to implement access to a large and underserved population of patients suffering from asthma. For the six months ended 30 June 2022, sales increased 11% to £15.5 million and generated an EBITDA profit of £3.2 million. The profit after tax for the period amounted to £9.2 million inclusive of an £8.1 million settlement consideration recognised on milestone payments due from Beyond Air Inc., following FDA approval for its LungFit PH device, together with a profit of £0.3 million on discontinued operations.

# ADAMS PLC

## CHAIRMAN'S STATEMENT

### FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022

The company had net cash balances of £13.8 million at 30 June 2022 and had increased to £17.6 million at 31 August 2022 following receipt of the first of 3 milestone payments due from Beyond Air. The shareholding of Adams at 30 September 2022 was, and continues to be, 0.73 per cent of the Niox shares in issue.

**C4XD** is a pioneering drug discovery company combining its enhanced DNA-based target identification and candidate molecule design capabilities to efficiently deliver world-leading medicines which are developed by licensing partners. C4XD has a number of existing partnership deals including a milestone and royalties agreement with Indivior UK Limited for its oral Orexin-1 receptor antagonist for the treatment of opioid addiction disorders worth up to \$284 million and a second milestones and royalties out-licensing agreement with Sanofi for its IL-17A inhibitor programme worth up to €414 million. There is also potential for single-digit Sanofi royalties. In addition, the company has continued to drive other key programmes towards partnering with a near term focus on inflammatory and oncology diseases. C4XD reported a loss after tax of £4.5 million in the six months ending 31 January 2022 inclusive of R&D investment of £3.9 million and with only minimal revenues of £0.01 million. Cash balances at 31 January 2022 amounted to £11.7 million but post that period end, the company raised cash of £5.7 million by way of a share placing in August 2022. The shareholding of Adams in C4XD at 30 September 2022 was, and continues to be, 1.98 per cent of the C4XD shares in issue.

**Seeing Machines** is an AIM listed industry leader in advanced computer vision technologies. The company designs Artificial Intelligence / AI powered operator monitoring systems using camera-based optics and embedded processing to improve transport safety in automotive, commercial fleet, aviation, rail and off-road markets. The technology incorporates warnings when human state attention impairment is identified, in order to re-engage the operator or driver. Seeing Machines continues to invest in R&D and grow as an automotive leader in such technology having now won contracts with a total of ten automotive Tier 1 global customers covering 14 automotive driver monitoring safety ("DMS") programmes. At 30 June 2022, there were 447,225 vehicles on the road featuring Seeing Machines' DMS technology, an increase of 246% over the previous period. In the year to 30 June 2022, Seeing Machines reported underlying revenue growth of 22 per cent when using constant currency, to give revenues of A\$54.4 million and a loss for the year of A\$25.3 million. Seeing Machines' cash balances at 30 June 2022 amounted to A\$58.8 million and were subsequently strengthened in October 2022 through a US\$65m (A\$103m) investment in the company by an existing customer, Magna International, via an exclusivity payment of US\$17.5m and up to \$47.5m of convertible loan notes which mature in October 2026 and have a conversion rate per ordinary share of £0.11. The shareholding of Adams in Seeing Machines as at 30 September 2022 was, and continues to be, 0.19 per cent of the Seeing Machines shares in issue.

**Access Intelligence** is an AIM listed London based technology innovator delivering Artificial Intelligence / AI Software-as-a-Service solutions for the global marketing and communications industries. The company combines AI technologies with human expertise to analyse data and provide strategic insights as a single, real-time view of what is important. It is supported by partnerships with the world's largest data providers and social media platforms including Twitter, Reddit and Twitch. For the half year ended 31 May 2022, Access Intelligence reported revenues of £32.7 million and delivered a positive EBITDA of £0.3 million before exceptional costs associated with the integration of Isentia Group which had been acquired in September 2021. The loss for the half year amounted to £7.0 million after exceptional costs and inclusive of

# ADAMS PLC

## CHAIRMAN'S STATEMENT

### FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022

additional investment in sales and marketing to drive global expansion. During the period, the group delivered continued growth in the EMEA and North America region and won a substantial number of blue-chip clients across every region, including significant win backs in the APAC region. The shareholding of Adams in Access Intelligence as at 30 September 2022 was, and continues to be, 0.51 per cent of the Access Intelligence shares in issue.

**Oxehealth** is a private company and an industry leader in vision-based patient monitoring and management systems. The company uses proprietary signal processing and computer vision to process normal digital video camera data to measure the vital signs and activity of patients in a number of different markets, primarily in Mental Health, Acute Hospital settings, Primary Care settings, Care Home, and Custodial facilities in both the UK and also in Sweden and more recently the USA. This is achieved through the deployment of its Oxevision platform which enables clinicians to take non-contact cardiorespiratory measurements of a patient's pulse and breathing rate, and which generate alerts to potentially risky activity and reports on a patient's vital signs and behaviour. This can all be done without the clinician entering the patient's room, including by use of mobile handsets on the ward. At 30 September 2022, the investment holding by Adams in Oxehealth represents 2.93 per cent of Oxehealth's issued share capital at that date.

**Telit** is a private company and a global leader in Internet of Things (IoT) enablement. Telit has over twenty years of experience designing, building, and executing complex digital business. The company has an extensive portfolio of wireless connectivity modules, software platforms and global IoT connectivity services, empowering hundreds of millions of connected 'things' to date, and trusted by thousands of direct and indirect customers, globally. In July 2022, the company announced a transaction under which it will, subject to US regulatory approval, acquire the cellular IoT products business of Thales and thereby expand Telit's presence in the growing industrial IoT segments and end markets, including payment systems, energy, e-health, and security. It will also enhance the company's capabilities in the rapidly growing cybersecure IoT solutions market. This transaction with Thales is expected to complete by the end of 2022. At 30 September 2022, the investment holding by Adams in Telit represents 0.47 per cent of Telit's issued share capital at that date.

In addition to the above investments, at 30 September 2022 Adams held quoted holdings in five other listed companies comprising **Griffin Mining Limited**, which is an AIM listed mining and investment company that has been the leader in foreign investment in mining in China having been engaged in developing the Caijiaying zinc and gold project since 1997; **Tremor International Ltd**, which is an AIM listed advertising-technology company focused on digital advertising including video, mobile, native, display technology, and connected TV; **Source Bioscience International Plc**, which is an AIM listed international provider of state-of-the-art laboratory services, clinical diagnostics and analytical testing services; **Euromax Resources Ltd**, which is a Canadian development company listed on the Toronto Stock Exchange and focused on building and operating the Ilovica-Shtuka copper and gold project in Macedonia; and **Afentra Plc**, which is an AIM listed upstream oil and gas company focused on acquiring mature production and development assets in Africa.

# **ADAMS PLC**

## **CHAIRMAN'S STATEMENT**

### **FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022**

#### **Outlook**

World economies are currently facing many uncertainties associated high levels of inflation and rising interest rates, coupled with a cost-of-living crisis, Russia's invasion of Ukraine and the lingering impact of COVID-19 and potential new variants. In addition, the COVID financial support measures taken during the last few years and the support for Ukraine's war efforts, have left governments heavily indebted and with fiscal tightening now expected to follow in many regions.

Your Board will, therefore, continue to maintain a rigorous and highly selective investment approach, coupled with strict cost control with a view to delivering additional value for shareholders going forward. We remain confident in the underlying fundamentals, technologies and long-term potential for growth at the companies within our investment portfolio.

Michael Bretherton  
Chairman  
24 November 2022

# ADAMS PLC

## CONDENSED INCOME STATEMENT

FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022

	Note	6 months ended 30 Sep 2022 (Unaudited) £'000	Year ended 31 Mar 2022 (Audited) £'000	6 months ended 30 Sep 2021 (Unaudited) £'000
Loss on investments	5	(947)	(1,571)	(567)
<b>Investment return</b>		<b>(947)</b>	<b>(1,571)</b>	<b>(567)</b>
<b>Expenses and other income</b>				
Administrative expenses		(82)	(160)	(81)
<b>Operating loss</b>		<b>(82)</b>	<b>(160)</b>	<b>(81)</b>
Interest income		-	-	-
<b>Loss before income tax</b>		<b>(1,029)</b>	<b>(1,731)</b>	<b>(648)</b>
Income tax expense		-	-	-
<b>Loss and total comprehensive loss for the period</b>		<b>(1,029)</b>	<b>(1,731)</b>	<b>(648)</b>
<b>Basic and diluted loss per share</b>	10	<b>(0.70)p</b>	<b>(1.21)p</b>	<b>(0.46)p</b>

There are no other items of comprehensive income or loss.

The notes on pages 10 to 13 form an integral part of the financial statements.



# ADAMS PLC

## CONDENSED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2022

	Note	As at 30 Sep 2022 (Unaudited) £'000	As at 31 Mar 2022 (Audited) £'000	As at 30 Sep 2021 (Unaudited) £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Investments	6	6,300	6,622	7,486
<b>Current assets</b>				
Trade and other receivables	7	4	12	3
Cash and cash equivalents		163	871	1,089
Total current assets		167	883	1,092
<b>Total assets</b>		<b>6,467</b>	<b>7,505</b>	<b>8,578</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	8	(16)	(25)	(16)
Total liabilities		(16)	(25)	(16)
Net current assets		151	858	1,076
<b>Net assets</b>		<b>6,451</b>	<b>7,480</b>	<b>8,562</b>
<b>Equity</b>				
Called up share capital	9	1,459	1,459	1,459
Share premium	9	3,425	3,425	3,425
Accumulated gains		1,567	2,596	3,678
<b>Total shareholder equity</b>		<b>6,451</b>	<b>7,480</b>	<b>8,562</b>

The notes on pages 10 to 13 form an integral part of the financial statements.

The condensed interim financial statements were approved and authorised for issue by the Board of Directors on 24 November 2022 and signed on its behalf by:

Michael Bretherton  
Chairman

# ADAMS PLC

## CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022

	Share Capital £'000	Share Premium £'000	Accumulated Gains £'000	Total £'000
<b>At 31 March 2021 (audited)</b>	826	-	4,327	5,153
Issue of shares	633	3,482	-	4,115
Share issue costs	-	(57)	-	(57)
Total comprehensive loss for period	-	-	(649)	(649)
<b>At 30 September 2021 (unaudited)</b>	1,459	3,425	3,678	8,562
Total comprehensive loss for period	-	-	(1,082)	(1,082)
<b>At 31 March 2022 (audited)</b>	1,459	3,425	2,596	7,480
Total comprehensive loss for period	-	-	(1,029)	(1,029)
<b>At 30 September 2022 (unaudited)</b>	1,459	3,425	1,567	6,451

The notes on pages 10 to 13 form an integral part of the financial statements.

# ADAMS PLC

## CONDENSED STATEMENT OF CASH FLOWS

### FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022

	6 months ended 30 Sep 2022 (Unaudited) £'000	Year ended 31 Mar 2022 (Audited) £'000	6 months ended 30 Sep 2021 (Unaudited) £'000
<b>Loss for the period</b>	(1,029)	(1,731)	(648)
Unrealised loss on revaluation of investments	947	1,571	567
Realised gain on disposal of investments	-	-	-
Decrease in trade and other receivables	8	10	19
(Decrease)/increase in trade and other payables	(9)	2	(8)
<b>Net cash outflows from operating activities</b>	<b>(83)</b>	<b>(148)</b>	<b>(70)</b>
<b>Cash flows from investing activities</b>			
Purchase of investments	(625)	(3,088)	(2,948)
<b>Net cash outflows from investing activities</b>	<b>(625)</b>	<b>(3,088)</b>	<b>(2,948)</b>
<b>Cash flows from financing activities</b>			
Issue of share capital net of costs	-	4,058	4,058
<b>Net cash inflows from financing activities</b>	<b>-</b>	<b>4,058</b>	<b>4,058</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(708)</b>	<b>822</b>	<b>1,040</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>871</b>	<b>49</b>	<b>49</b>
<b>Cash and cash equivalents at end of period</b>	<b>163</b>	<b>871</b>	<b>1,089</b>

The notes on pages 10 to 13 form an integral part of the financial statements.

# ADAMS PLC

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS

### FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022

#### 1 General information

Adams Plc (“the Company”) is a company incorporated in the Isle of Man and is listed on the AIM market of the London Stock Exchange.

#### 2 Basis of preparation

The interim financial statements of Adams Plc are unaudited condensed financial statements for the six months ended 30 September 2022. These include unaudited comparatives for the six months ended 30 September 2021 together with audited comparatives for the year ended 31 March 2022.

These interim condensed financial statements have been prepared on the basis of the accounting policies expected to apply for the financial year to 31 March 2023 which are based on the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the United Kingdom (UK). The financial statements have been prepared under the historical cost convention. The Company’s presentation and functional currency is GBP Pounds Sterling.

The interim financial statements do not include all of the information required for full annual financial statements and do not comply with all the disclosures in IAS 34 ‘Interim Financial Reporting’, and should be read in conjunction with the Company’s annual financial statements to 31 March 2022. Accordingly, whilst the interim statements have been prepared in accordance with IFRS, they cannot be construed as being in full compliance with IFRS.

The preparation of financial statements in conformity with IFRS as adopted by the UK requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies.

#### 3 Going concern

Information on the business environment, financial position and the factors underpinning the Company’s future prospects and portfolio are included in the Chairman’s Statement. The Directors have considered their obligation in relation to the assessment of the going concern of the Company and have reviewed the current cash forecasts and assumptions as well as the main risk factors facing the Company. Accordingly, the going concern basis has been adopted in the preparation of the financial statements.

#### 4 Significant accounting policies

The accounting policies adopted are consistent with those followed in the preparation of the annual financial statements of Adams Plc for the year ended 31 March 2022 which received an unqualified audit opinion. A copy of these financial statements is available on the Company website at [www.adamsplc.co.uk](http://www.adamsplc.co.uk).

# ADAMS PLC

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

### FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022

#### 5 Segment reporting

Operating segments for Adams Plc are reported based on the financial information provided to the Board, which is used to make strategic decisions. The Directors are of the opinion that under IFRS 8 'Operating segments' the Company has only one reportable segment, being Investment Return. The Board assesses the performance of the operating segment based on financial information which is measured and presented in a manner consistent with that in the financial statements.

The principal sources of revenue for the Company in the period to 30 September 2022 were as follows:

	6 months ended 30 Sep 2022	Year ended 31 Mar 2022	6 months ended 30 Sep 2021
	£'000	£'000	£'000
Unrealised loss on investments	(947)	(1,571)	(567)
Realised gains on investments	-	-	-
<b>Total loss on investments</b>	<b>(947)</b>	<b>(1,571)</b>	<b>(567)</b>

#### 6 Investments

An analysis of movements in the value of the Company's investments is as follows:

	Quoted Equity Shares £'000	Unquoted Equity Shares £'000	Derivative Trading Asset £'000	Total £'000
<b>Fair value at 31 March 2021</b>	3,982	566	557	5,105
Additions at cost	2,624	1,196	-	3,820
Disposals	(858)	-	-	(858)
Unrealised revaluation losses	(212)	18	(387)	(581)
<b>Fair value at 30 September 2021</b>	5,536	1,780	170	7,486
Additions at cost	-	126	-	126
Disposals	-	-	-	-
Unrealised revaluation losses	(843)	14	(161)	(990)
<b>Fair value at 31 March 2022</b>	4,693	1,920	9	6,622
Additions at cost	625	-	-	625
Disposals	-	-	-	-
Unrealised revaluation losses	(938)	-	(9)	(947)
<b>Fair value at 30 September 2022</b>	<b>4,380</b>	<b>1,920</b>	<b>-</b>	<b>6,300</b>

# ADAMS PLC

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

### FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022

#### 7 Trade and other receivables

	As at 30 Sep 2022 £'000	As at 31 Mar 2022 £'000	As at 30 Sep 2021 £'000
Prepayments	4	12	3
	<u>4</u>	<u>12</u>	<u>3</u>

The carrying amount of prepayments is approximate to their fair value.

#### 8 Trade and other payables

	As at 30 Sep 2022 £'000	As at 31 Mar 2022 £'000	As at 30 Sep 2021 £'000
Trade payables	7	8	8
Accruals and other creditors	9	17	8
	<u>16</u>	<u>25</u>	<u>16</u>

The carrying amount of trade and other payables approximates to their fair value.

#### 9 Share capital

	Number of shares issued and fully paid up	Share capital £'000	Share premium £000
<b>Ordinary shares</b>			
<b>At 30 September 2021</b>	<u>145,859,231</u>	<u>1,459</u>	<u>3,425</u>
Issue of shares	-	-	-
<b>At 31 March 2022</b>	<u>145,859,231</u>	<u>1,459</u>	<u>3,425</u>
Issue of shares	-	-	-
<b>At 30 September 2022</b>	<u>145,859,231</u>	<u>1,459</u>	<u>3,425</u>

The authorised Ordinary share capital of the Company at 30 September 2022, 31 March 2022 and 30 September 2022 was 350,000,000 Ordinary Shares with a nominal value of £0.01 per share.

# ADAMS PLC

## NOTES TO THE CONDENSED FINANCIAL STATEMENTS (continued)

### FOR THE SIX MONTH PERIOD TO 30 SEPTEMBER 2022

#### 10 Earnings/(loss) per share

The basic earnings or loss per share is calculated by dividing the profit or loss after tax attributable to equity shareholders by the weighted average number of Ordinary Shares in issue during the period:

	<b>6 months ended 30 Sep 2022</b>	<b>Year ended 31 Mar 2022</b>	<b>6 months ended 30 Sep 2021</b>
Loss after tax attributable to equity holders of the Company (£'000)	(1,029)	(1,731)	(648)
Weighted average number of Ordinary Shares	145,859,231	142,856,154	141,379,226
Basic and diluted loss per share (p)	(0.70)	(1.21)	(0.46)

There were no potentially dilutive shares in issue as at 30 September 2022, 31 March 2022 or 30 September 2021.

#### 11 Half year interim report

A copy of this half year interim report, as well as the annual statutory accounts to 31 March 2022, are available on the Company's website at [www.adamsplc.co.uk](http://www.adamsplc.co.uk).