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### ADAMS PLC

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#### **Adams Plc**

("Adams" or the "Company")

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023**

Adams Plc presents its annual report and audited financial results for the year ended 31 March 2023

#### **Highlights:**

- Net assets at 31 March 2023 of £5.11 million (2022: £7.48 million).
- Net assets per share 3.50 pence at 31 March 2023 based on 145.9 million shares in issue (2022: 5.13 pence).
- Loss after tax of £2.37 million (2022: loss £1.73 million).
- Investments at 31 March 2023 valued at £5.10 million (2022: £6.62 million).
- Spend on new investments of £1.22 million (2022: £3.09 million).
- Proceeds from investment realisations £0.56 million (2022: £nil).
- Cash at 31 March 2023 of £0.05 million (2022: £0.87million).
- No part of the £3.00 million shareholder loan facility drawn down to date.

Michael Bretherton, Chairman, said:

"The global economy is still being impacted by the adverse effects of Russia's invasion of Ukraine and rising inflation, coupled with governments heavily indebted by the financial support measures provided during the period of Covid restrictions. As a result, financial conditions and monetary policy are likely to continue to tighten and with growth expected to remain weak by historical standards.

"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."

The Company's 2023 Annual Report will shortly be posted to shareholders together with a Notice of Annual General Meeting, copies of which will be made available on the Company's website at [www.adamsplc.co.uk](http://www.adamsplc.co.uk) under the *Investor Relations / Company & Shareholder Documents* section. The Annual General Meeting is to be held at 11.30 a.m. on Friday 18 August 2023 at the Company's registered office at 55 Athol Street, Douglas, Isle of Man, IM1 1LA.

This announcement contains inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 ("MAR") as retained as part of UK law by virtue of the European Union (Withdrawal) Act 2018 as amended.

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**Chairman's Statement****Results**

Adams incurred a net loss of £2.37 million for the year to 31 March 2023 (FY2023) compared to a loss of £1.73 million in the previous year ended 31 March 2022 (FY2022).

This FY2023 loss comprises a net investment loss of £2.19 million, together with overhead costs of £0.18 million. The previous FY2022 loss comprised a net investment loss of £1.57 million, together with administrative costs of £0.16 million.

During FY2023, the Company spent £1.22 million on three equity investments, two of which were new investments comprising Tremor International Ltd and WANdisco Plc and the other being a follow-on investment in Seeing Machines Limited. Disposal proceeds during the period amounted to £0.56 million on a partial realisation of the Niox Group Plc investment holding. In addition, the Company's small £0.10 million investment in 4D Pharma Plc had to be written off when it went into administration on 24 June 2022.

The carrying value of the Company's equity investments at 31 March 2023 was £5.10 million represented by nine quoted investment holdings and three private investments (31 March 2022: £6.62 million represented by nine quoted investment holdings and two private investments). In addition, Adams holds a derivative investment asset in the form of warrants in C4X Holdings Plc which have an exercise price that is significantly above the market price of the underlying shares and the warrants are therefore considered to have a nil fair value.

The investment in WANdisco was made in December 2022 following that company's reporting of very significant new orders received during the previous 2 months. Subsequently on 9 March 2023, WANdisco announced it had requested a suspension of its shares from trading on AIM while a legal investigation is carried out on irregularities discovered on purchase orders and related revenue bookings, which gave rise to a material misstatement of its financial position. The WANdisco shares remained suspended at 31 March 2023 and are not due to recommence trading on AIM until around 25 July 2023 when a recently announced share offer equity fundraise to raise gross proceeds of US\$ 30 million at a price of 50 pence per share is due to complete. The offer shares will represent approximately 70.7% of WANdisco's existing issued share capital. This investment holding is, therefore, being carried by Adams at a 50 pence per share value at the 31 March 2023 year end, being the best indication of fair value at that date.

The Company held cash balances of £0.05 million as at 31 March 2023, compared to cash balances of £0.87 million at the previous 31 March 2022 year end.

Net assets reduced to £5.11 million (equivalent to 3.50p per share) at the 31 March 2023 balance sheet date, compared with £7.48 million (equivalent to 5.13p per share) at 31 March 2022. The £2.37 million decrease in net assets reflects the loss reported for the year.

**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 31 March 2023 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 Cinteron Ltd ("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 year ended 31 December 2022, sales increased 15% to £31.3 million and generated an EBITDA profit of £7.3 million. The profit after tax for the period amounted to £16.1 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 £2.1 million on discontinued operations. The company had net cash balances of £19.4 million at 31 December 2022. The shareholding of Adams at 31 March 2023 was, and continues to be, 0.37 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 plus potential for single-digit royalties. In November 2022, C4XD signed an exclusive licensing agreement with AstraZeneca for its NRF2 activator programme addressing the treatment of inflammatory and respiratory diseases. The agreement is worth up to \$402 million including pre-clinical milestone payments of up to \$16 million ahead of the first clinical trial, with \$2 million upfront. 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 £3.9 million in the six months ending 31 January 2023 inclusive of R&D investment of £5.2 million and with revenues of £1.7 million. Cash balances at 31 January 2023 amounted to £9.6 million. The shareholding of Adams in C4XD at 31 March 2023 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 15 automotive driver monitoring safety ("DMS") programmes. In October 2022, the company entered into an exclusive collaboration with Magna International, to pursue driver and occupant monitoring system business targeting the vehicle's interior rear-view mirror and under which Magna also provided additional investment through a Convertible Note of up to US\$47.5m which matures in October 2026 and has a conversion rate per ordinary share of 11 pence. At 31 December 2022, there were 710,049 vehicles on the road featuring Seeing Machines' DMS technology, an increase of 188% over the 12 month period. In the half year to 31 December 2022, Seeing Machines reported underlying revenue growth of 54% per cent, to give revenues of \$24.4 million and a loss for the period of \$5.4 million. Seeing Machines' cash balances at 31 December 2022 amounted to \$52.2 million inclusive of \$28.8 million received on partial draw down of the Magna Convertible Loan Note. The shareholding of Adams in Seeing Machines as at 31 March 2023 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 year ended 30 November 2022, Access Intelligence reported revenues of £65.7 million and delivered a positive EBITDA of £2.3 million before exceptional costs associated with the integration of Isentia Group which had been acquired in September 2021. The loss for the year amounted to £4.2 million after exceptional costs and inclusive of additional investment in sales and marketing to drive global expansion. Cash balances at 30 November 2022 amounted to £4.9 million. 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 31 March 2023 was, and continues to be, 0.52 per cent of the Access Intelligence voting 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. Adams has participated in the Oxehealth

new share issue funding rounds undertaken in the previous few years but did not participate in the last one undertaken in the March quarter of 2023 and as a result has seen some dilution of its shareholding in this investment. At 31 March 2023, the investment holding by Adams in Oxehealth represents 2.22 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. On 1 January 2023, the company completed a transaction with the global defence, aerospace and security group, Thales, under which it acquired the cellular IoT products business of Thales and thereby expanded 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. At 31 March 2023, the investment holding by Adams in Telit represents 0.35 per cent of Telit's issued share capital at that date.

In addition to the above investments, at 31 March 2023 Adams held five other quoted holdings, together with one other private company holding. The five quoted holdings comprise **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; **WANDisco Plc**, which is a data activation company that enables organisations to move large datasets to the cloud at massive scale in order to activate all their data for AI, machine learning and analytics on modern cloud data platforms; **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. The private company holding comprises **Source Bioscience International Ltd**, which is an international provider of state-of-the art laboratory services, clinical diagnostics and analytical testing services.

#### Outlook

The global economy is still being impacted by the adverse effects of Russia's invasion of Ukraine and rising inflation, coupled with governments heavily indebted by the financial support measures provided during the period of Covid restrictions. As a result, financial conditions and monetary policy are likely to continue to tighten and with growth expected to remain weak by historical standards.

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

14 July 2023

#### Investing Policy

The current Investing Policy is:

The Board will seek to acquire a direct and/or indirect interests in special situation investment opportunities that have an element of distress, dislocation, dysfunction or other special situation attributes and that they perceive to be undervalued. The principal focus will be 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.

The Directors intend to identify investment opportunities offering the potential to deliver a favourable return to Shareholders over the medium to long term, primarily in the form of a capital gain. A particular consideration will be to identify businesses which, in the opinion of the Directors, are under-valued due to any of a number of special situations that adversely impact the business's short-term prospects and/or underlying value but which business interests the Directors believe have a solid fundamental core or sound development potential to present opportunities for value creation.

The Company's interest in a potential investment may range from a minority position to 100 per cent. ownership and the interest may be either quoted or unquoted. Investments may be made in shares, or by the acquisition of assets (including intellectual property) of a relevant business, or by entering into partnerships, joint ventures, equity derivatives, contracts for differences or other equity or debt related securities that the Board deem appropriate.

There will be no limit on the number of projects into which the Company may invest, and the Company's financial resources may be invested in a number of propositions or in just one investment, which may be deemed to be a reverse takeover pursuant to Rule 14 of the AIM Rules.

While the Directors intend to take into account the level of existing funds available for investment when assessing the amount of any investment, it is not proposed that there be any maximum investment limit.

The Company may be both an active and a passive investor depending on the nature of the individual investments. Although the Company intends to be a medium to long term investor, there will be no minimum or maximum limit on the length of time that any investment may be held and short-term investments may be made.

The Company will not have a separate investment manager.

The Company may require additional funding as investments are made and new opportunities arise. The Directors may offer new Ordinary Shares by way of consideration, as well as cash, thereby helping to preserve the Company's cash resources. The Company may, in appropriate circumstances, issue debt securities or otherwise borrow money to complete an investment.

Given the nature of the Company's Investing Policy, the Company does not intend to make regular periodic disclosures or calculations of net asset value other than at the time of publication of its half year and annual results.

The Board's principal focus will be on achieving capital growth for Shareholders.

#### Statement of Comprehensive Income for the year ended 31 March 2023

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	£'000
<b>Investment loss return</b>	(2,188)	(1,571)
<b>Expenses and other income</b>		
Administrative expenses	(182)	(160)
<b>Operating loss</b>	(2,370)	(1,731)
Interest income	-	-
<b>Loss on ordinary activities before taxation</b>	(2,370)	(1,731)
Tax on loss on ordinary activities	-	-
<b>Loss for the year</b>	(2,370)	(1,731)
<b>Basic and diluted loss per share</b>	(1.62)p	(1.21)p

#### Statement of Financial Position at 31 March 2023

	31 March 2023	31 March 2022
	£'000	£'000
<b>Assets</b>		
<b>Non-current assets</b>		
Investments	5,095	6,622
<b>Current assets</b>		
Trade and other receivables	11	12
Cash and cash equivalents	47	871

Current assets	58	883
<b>Total assets</b>	<b>5,153</b>	<b>7,505</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Trade and other payables	(43)	(25)
<b>Total liabilities</b>	<b>(43)</b>	<b>(25)</b>
<b>Net current assets</b>	<b>15</b>	<b>858</b>
<b>Net assets</b>	<b>5,110</b>	<b>7,480</b>
<b>Equity</b>		
Share capital	1,459	1,459
Share premium	3,425	3,425
Retained earnings reserve	226	2,596
<b>Total shareholder equity</b>	<b>5,110</b>	<b>7,480</b>

### Statement of Changes in Equity as at 31 March 2023

	Share Capital	Share premium	Retained earnings reserve	Total
	£'000	£'000	£'000	£'000
<b>At 31 March 2021</b>	<b>826</b>	<b>-</b>	<b>4,327</b>	<b>5,153</b>
<b>Changes in equity</b>				
Issue of shares	633	3,482	-	4,115
Share issue costs	-	(57)	-	(57)
<b>Changes in equity</b>				
Total comprehensive loss	-	-	(1,731)	(1,731)
<b>At 31 March 2022</b>	<b>1,459</b>	<b>3,425</b>	<b>2,596</b>	<b>7,480</b>
<b>Changes in equity</b>				
Total comprehensive loss	-	-	(2,370)	(2,370)
<b>At 31 March 2023</b>	<b>1,459</b>	<b>3,425</b>	<b>226</b>	<b>5,110</b>

### Statement of Cash Flows for the year ended 31 March 2023

	Year ended 31 March 2023	Year ended 31 March 2022
	£'000	*Restated £'000
<b>Loss for the year</b>	<b>(2,370)</b>	<b>(1,731)</b>
Unrealised loss on revaluation of portfolio investments	2,203	1,571
Realised gain on disposal of portfolio investments	(15)	-
Decrease in trade and other receivables	1	10
Increase in trade and other payables	18	2
<b>Net cash outflow from operating activities</b>	<b>(163)</b>	<b>(148)</b>
<b>Cash flows from investing activities</b>		
Purchase of portfolio investments	(1,216)	(3,088)
Proceeds from sales of investments	555	-
<b>Net cash used in investing activities</b>	<b>(661)</b>	<b>(3,088)</b>
<b>Cash flows from financing activities</b>		
Issue of new ordinary shares	-	4,058
<b>Net cash generated from financing activities</b>	<b>-</b>	<b>4,058</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(824)</b>	<b>822</b>
Cash and cash equivalents at beginning of year	871	49
<b>Cash and cash equivalents at end of year</b>	<b>47</b>	<b>871</b>

**Caution regarding forward looking statements**

Certain statements in this announcement, are, or may be deemed to be, forward looking statements. Forward looking statements are identified by their use of terms and phrases such as "believe", "could", "should" "envisage", "estimate", "intend", "may", "plan", "potentially", "expect", "will" or the negative of those, variations or comparable expressions, including references to assumptions. These forward-looking statements are not based on historical facts but rather on the Directors' current expectations and assumptions regarding the Company's future growth, results of operations, performance, future capital and other expenditures (including the amount, nature and sources of funding thereof), competitive advantages, business prospects and opportunities. Such forward looking statements reflect the Directors' current beliefs and assumptions and are based on information currently available to the Directors.

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