

ADAMS PLC

INTERIM FINANCIAL STATEMENTS

FOR THE SIX MONTH PERIOD ENDED 30 SEPTEMBER 2017

ADAMS PLC

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ADAMS PLC

COMPANY INFORMATION

Directors	M A Bretherton (non-executive Chairman) N J Woolard (non-executive Director) A R J Mitchell (non-executive Director)
Secretary	P P Scales
Registrar and Registered office	FIM Capital Limited IOMA House Hope Street Douglas Isle of Man IM1 1AP
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Nominated Advisor	Cairn Financial Advisers LLP Cheyne House Crown Court 62-63 Cheapside London EC2V 6AX
Broker	Peterhouse Corporate Finance Limited New Liverpool House 15 Eldon Street London EC2M 7LD
Crest Agent	Share Registrars Limited The Courtyard 17 West Street Farnham Surrey GU9 7DR

ADAMS PLC

CHAIRMAN'S STATEMENT

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2017

Adams Plc ("Adams or the Company") generated a gross investment return of €24,000 in the half year ended 30 September 2017 which resulted in loss after tax of €98,000 after deduction of overheads and other costs. This compares to an investment return of €127,000 in the half year to 30 September 2016 and with a corresponding profit after tax of €24,000.

In June 2017, the Company raised cash of €1,116,000 (after expenses) pursuant to a share subscription open offer.

During the six months ended 30 September 2017, the Company spent €1,036,000 on a new equity investment in Petrofac Limited which is listed on the Main Market of the London Stock Exchange. In addition, the Company generated cash proceeds of €84,000 from the partial realisation of an existing investment.

Adams held 6 investments at 30 September 2017 comprising 5 quoted and 1 unquoted holding for which the total investment carrying value at 30 September 2017 was €2,066,000 (31 March 2017: €1,101,000 represented by 4 quoted and 1 unquoted holding).

The Company had cash balances of €89,000 at 30 September 2017, compared to cash balances of €41,000 at the previous 31 March 2017 year end.

Net assets attributable to holders of Adams at 30 September 2017 were €2,132,000 (equivalent to €0.0258 per share) versus €1,114,000 at 31 March 2017 (equivalent to €0.0270 per share). The €1,018,000 increase in net assets in the 6 months to 30 September 2017 is attributable to proceeds from the issue of shares of €1,116,000, partially offset by the loss after tax of €98,000 in the period.

Underwritten open offer and majority shareholder controlled undertaking

In order to provide the Company with additional resources with which to fund its investment strategy, the Company raised €1,116,000 (after expenses) in June 2017 pursuant to an underwritten open offer of 41,276,616 ordinary shares at 2.5p per share. Under the open offer, existing shareholders had an opportunity to subscribe for new shares at the 2.5p issue price by taking up their respective open offer entitlements which were calculated on a pro rata basis to their holding in the existing shares.

The open offer was fully underwritten by the Company's largest shareholder, Richard Griffiths who had an existing holding of 29.9 per cent in the existing shares. Following the open offer, the number of ordinary Adams shares in issue is 82,553,232 and consequent to the subscription and underwriting shares issued to Richard Griffiths, his holding increased to 63.8 per cent.

As a result, Adams is now a controlled undertaking of Richard Griffiths who will, if he so wishes, be able to further increase his interests in Adams shares without making a mandatory offer to the remaining shareholders. Subsequent to the open offer, Richard Griffiths has purchased further Adams shares in the AIM market such that his current holding in the Company is now 73.0 per cent.

The Company, Cairn Financial Advisers LLP (who are the Company's Nominated Advisor) and Richard Griffiths entered into a relationship agreement dated 2 June 2017, which governs the relationship between the Company and Richard Griffiths following the open offer, to ensure that the Company shall be managed independently for the benefit of shareholders as a whole.

ADAMS PLC

CHAIRMAN'S STATEMENT

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2017

Business model and change of investing policy

On 8 September 2017, shareholders approved a proposal by the Company's directors to revise the investing policy to one which provides the Board with a broader, more flexible approach to creating shareholder value. The existing policy at that time was focused on targeting undervalued or pre-commercialisation projects and assets in the biotechnology sector, whilst also considering opportunities in the wider technology and other sectors.

Under the revised investing policy, the Board will seek to acquire 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.

Events subsequent to 30 September 2017

On 5 October 2017, Adams sold its entire remaining holding of shares in GVC Holdings plc on the Main Market of the London Stock Exchange for a total cash consideration of £584,400.

On 16 November 2017, Adams received cash of £74,620 for its entire holding of shares in Imagination Technologies Group Plc consequent to the acquisition of that company by Canyon Bridge Capital Partners LLC under a recommended cash offer at a price of 182 pence per share.

The Adams directors intend to reinvest the proceeds of the above disposals in accordance with the Company's investing policy and on 24 November the Company used a part of the proceeds to purchase shares in Eland Oil & Gas plc on the AIM Market of the London Stock Exchange for a total cash consideration of £288,163.

Investments

The Company currently holds 4 listed investments comprising Petrofac Limited, Eland Oil & Gas plc, Oxford Pharmascience Group Plc and Communis Plc. In addition, the Company holds shares and loan notes in unquoted Sherwood Holdings Limited, which owns Source Bioscience Plc as its principal asset.

Petrofac is a multinational service provider to the oil and gas production and processing industry. The company designs, builds, operates and maintains oil and gas facilities with a focus on delivering first class project execution, cost control and effective risk management. Petrofac has a 36-year track record and has grown significantly to become a constituent of the FTSE 250 Index. The company has 31 offices and approximately 13,500 staff worldwide, comprising more than 80 nationalities.

Eland is an independent oil and gas company with the principal business objective of identifying, acquiring and developing interests in oil and gas assets in West Africa, focused initially on Nigeria including the prolific Niger Delta.

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CHAIRMAN'S STATEMENT

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2017

Oxford Pharmascience is a drug development group that re-develops approved drugs to make them better, safer and easier to take. The group is currently planning to demerge its existing commercial and development assets, together with cash of around £1.3 million, into a private vehicle, and provide a continued investment in a cash shell seeking to deploy its remaining cash assets of approximately £19.3 million through the reverse acquisition of a new operating business.

Communis is a leading provider of outsourced digital asset management and personalised customer communication services.

Source Bioscience is an international provider of state of the art laboratory services and products and has an expertise in clinical diagnostics, genomics, proteomics, drug discovery & development research and analytical testing services.

Outlook

Although the global economic cycle remains supportive of risk assets, the potential for volatility in capital markets remains. In particular, the alarming increase in China's debt and its likely slowing of economic growth and concerns about the direction of US foreign policy and trade reforms, are expected to have implications for the whole global economy. In addition, continued economic uncertainty post the Brexit vote, may impact currently reasonable Eurozone growth prospects.

The Board will, therefore, continue to maintain a highly selective investment approach in these uncertain markets.

Michael Bretherton

Chairman

28 November 2017

ADAMS PLC

STATEMENT OF COMPREHENSIVE INCOME

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2017

	Note	6 months ended 30 Sep 2017 (Unaudited) €'000	Year ended 31 Mar 2017 (Audited) €'000	6 months ended 30 Sep 2016 (Unaudited) €'000
Gain on investments	5	8	180	121
Dividend income		16	17	6
Gross investment return		24	197	127
Expenses				
Net foreign exchange loss		(36)	(15)	(15)
Administrative expenses		(92)	(174)	(88)
Operating (loss)/profit		(104)	8	24
Interest income		6	6	-
(Loss)/profit on ordinary activities before taxation		(98)	14	24
Tax on (loss)/profit on ordinary activities		-	-	-
(Loss)/profit for the period		(98)	14	24
Total comprehensive (loss)/income for the period		(98)	14	24
(Loss)/earnings per ordinary share				
Basic and diluted	10	(0.16)€c	0.03€c	0.06€c

There are no other items of comprehensive income/(loss).

The accounting policies and explanatory notes on pages 9 to 11 form an integral part of the financial statements.

ADAMS PLC

STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2017

	Note	As at 30 Sep 2017 (Unaudited) €'000	As at 31 Mar 2017 (Audited) €'000	As at 30 Sep 2016 (Unaudited) €'000
Assets				
Non-current assets				
Investments	6	2,066	1,101	1,037
Current assets				
Trade and other receivables	7	1	2	8
Cash and cash equivalents		89	41	96
		<u>90</u>	<u>43</u>	<u>104</u>
Total assets		<u>2,156</u>	<u>1,144</u>	<u>1,141</u>
Liabilities				
Current liabilities				
Trade and other payables	8	(24)	(30)	(17)
Total liabilities		<u>(24)</u>	<u>(30)</u>	<u>(17)</u>
Net current assets		<u>66</u>	<u>13</u>	<u>87</u>
Net assets		<u>2,132</u>	<u>1,114</u>	<u>1,124</u>
Equity				
Called up share capital	9	826	413	413
Share premium	9	1,819	1,116	1,116
Retained earnings deficit		(513)	(415)	(405)
Total shareholder equity		<u>2,132</u>	<u>1,114</u>	<u>1,124</u>

The accounting policies and explanatory notes on pages 9 to 11 form an integral part of the financial statements.

The interim report on pages 5 to 11 was approved and authorised for issue by the Board of Directors on 28 November 2017 and signed on its behalf by:

Michael Bretherton
Chairman

ADAMS PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2017

	Share Capital €'000	Share Premium €'000	Retained Earnings Deficit €'000	Total €'000
At 31 March 2016	413	1,116	(429)	1,100
Total comprehensive gain for period	-	-	24	24
At 30 September 2016	413	1,116	(405)	1,124
Total comprehensive loss for period	-	-	(10)	(10)
At 31 March 2017	413	1,116	(415)	1,114
Issue of shares	413	703	-	1,116
Total comprehensive loss for period	-	-	(98)	(98)
At 30 September 2017	826	1,819	(513)	2,132

Share capital is the amount subscribed for shares at nominal value.

Share premium represents the excess of the amount subscribed for share capital over the nominal value of these shares net of share issue expenses.

Retained earnings deficit represents the cumulative losses of the Company attributable to equity shareholders.

The accounting policies and explanatory notes on pages 9 to 11 form an integral part of the financial statements.

ADAMS PLC

STATEMENT OF CASH FLOWS

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2017

	6 months ended 30 Sep 2017 (Unaudited) €'000	Year ended 31 Mar 2017 (Audited) €'000	6 months ended 30 Sep 2016 (Unaudited) €'000
(Loss)/profit for the period	(98)	14	24
Unrealised gain on revaluation of investments	(10)	(166)	(107)
Realised loss/(gain) on disposal of investments	2	(14)	(14)
Decrease/(increase) in trade and other receivables	1	1	(5)
Decrease in trade and other payables	(6)	(2)	(15)
Net cash outflows from operating activities	(111)	(167)	(117)
Cash flows from investing activities			
Proceeds from sales of investments	84	175	65
Purchase of investments	(1,041)	(225)	(110)
Net cash used in investing activities	(957)	(50)	(45)
Cash flows from financing activities			
Issue of ordinary share capital	413	-	-
Issue of premium share capital, net of costs	703	-	-
Net cash generated from financing activities	1,116	-	-
Net increase/(decrease) in cash and cash equivalents	48	(217)	(162)
Cash and cash equivalents at beginning of period	41	258	258
Cash and cash equivalents at end of period	89	41	96

The accounting policies and explanatory notes on pages 9 to 11 form an integral part of the financial statements.

ADAMS PLC

NOTES TO THE STATEMENT OF FINANCIAL STATEMENTS

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2017

1 General information

Adams Plc 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 2017. These include unaudited comparatives for the six months ended 30 September 2016 together with audited comparatives for the year ended 31 March 2017.

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 2018 which are based on the recognition and measurement principles of International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The financial statements have been prepared under the historical cost convention. The Company's presentation and functional currency is Euros.

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 2017. 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 EU 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 confirm that they are satisfied that the Company has adequate resources to continue in business for the medium term based on the current liquid resources available. For this reason, they continue to adopt the going concern basis in preparing 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 2017 which received an unqualified audit opinion. A copy of these financial statements are available on the website at www.adamsplc.co.uk.

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.

ADAMS PLC

NOTES TO THE STATEMENT OF FINANCIAL STATEMENTS

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2017 (continued)

5 Segment reporting (continued)

The principal sources of revenue for the Company in the period to 30 September 2017 were as follows:

	6 months ended 30 Sep 2017	Year ended 31 Mar 2017	6 months ended 30 Sep 2016
	€'000	€'000	€'000
Unrealised gain on investments	10	166	107
Realised (loss)/gain on investments	(2)	14	14
Total gain on investments	8	180	121

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	Unquoted Loan Notes €'000	Total €'000
Fair value at 31 March 2016	871	-	-	871
Additions at cost	7	6	97	110
Disposals	(51)	-	-	(51)
Unrealised gain on the revaluation of investments	107	-	-	107
Fair value at 30 September 2016	934	6	97	1,037
Additions at cost	102	-	13	115
Disposals	(110)	-	-	(110)
Unrealised gain on the revaluation of investments	59	-	-	59
Fair value at 31 March 2017	985	6	110	1,101
Additions at cost	1,036	-	5	1,041
Disposals	(86)	-	-	(86)
Unrealised gain/(loss) on the revaluation of investments	14	-	(4)	10
Fair value at 30 September 2017	1,949	6	111	2,066

7 Trade and other receivables

	As at 30 Sep 2017 €'000	As at 31 Mar 2017 €'000	As at 30 Sep 2016 €'000
Prepayments and accrued income	1	2	8
	1	2	8

8 Trade and other payables

	As at 30 Sep 2017 €'000	As at 31 Mar 2017 €'000	As at 30 Sep 2016 €'000
Trade payables	10	14	12
Accruals	14	16	5
	24	30	17

Accruals principally comprise amounts outstanding for ongoing expenses. The carrying amount of trade payables approximates to their fair value.

ADAMS PLC

NOTES TO THE STATEMENT OF FINANCIAL STATEMENTS

FOR THE 6 MONTH PERIOD TO 30 SEPTEMBER 2017 (continued)

9 Share capital and share premium

	Number of shares issued and fully paid up	Share capital €'000	Share premium €'000
Ordinary shares of €0.01			
At 1 April 2016	41,276,616	413	1,116
Issue of shares	-	-	-
At 30 September 2016	41,276,616	413	1,116
Issue of shares	-	-	-
At 31 March 2017	41,276,616	413	1,116
Issue of shares	41,276,616	413	703
At 30 September 2017	82,553,232	826	1,819

In June 2017, the Company issued 41,276,616 new ordinary shares of €0.01 under an open offer at 2.5 pence (2.84 €cents) per share.

The authorised Ordinary share capital of the Company at 30 September 2017 is 350,000,000 Ordinary Shares of €0.01 each (31 March 2017 and 30 September 2016: 350,000,000 Ordinary Shares of €0.01 each).

10 Earnings/(loss) per share

The basic earnings/(loss) per share is calculated by dividing the profit/(loss) after tax attributable to equity shareholders by the weighted average number of ordinary shares in issue during the period:

	6 months ended 30 Sep 2017	Year ended 31 Mar 2017	6 months ended 30 Sep 2016
Profit/(loss) after tax attributable to equity holders of the Company (€'000)	(98)	14	24
Weighted average number of ordinary shares	62,478,812	41,276,616	41,276,616
Basic and diluted earnings/(loss) per share	(0.16)€c	0.03€c	0.06€c

There were no potentially dilutive shares in issue as at 30 September 2017, 31 March 2017 and 30 September 2016.