



Pires Investments PLC - PIRI Final Results
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Pires Investments PLC
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Pires Investments plc

("Pires" or the "Company")

Results for the year to 31 October 2019

The Board is pleased to announce the audited results of Pires for the year ended 31 October 2019.

Highlights

- Pre-tax profits achieved of over £865,000 with net asset value in excess of £2,564,000
- Investment strategy expanded to include the technology sector which is already yielding positive results
- Net cash proceeds of £1.6 million and net profit of almost £1 million realised from the disposal of investment in Eco Atlantic
- Investment returns and recent fund raisings leave the Company well-funded to implement its strategy going forward

Chairman's Statement

I am pleased to report significant further progress in the year to 31 October 2019. The Company achieved a pre-tax profit of £865,510 (2018: £322,069) with the value of our investment portfolio rising to £1,165,409 (2018: £1,029,526) after investment realisations during the period of £1,016,114 (2018: £264,882). Net asset value at the year-end was £2,564,582 (2018: £949,617), equivalent to 3.56p per share, and earnings were 1.64p per share (2018: 0.95p).

In February 2019, we raised just over £780,000 in new equity capital. In October 2019, we obtained shareholder approval for an extension of our investing policy to include technology and invested £1.1 million for a 13% stake in Sure Valley Ventures ("SVV"), a venture capital fund which invests in the software technology sector with a specific focus on artificial intelligence ("AI"), the internet of things ("IoT") and augmented and virtual reality ("AR/VR"). To date, we have made further investments in SVV in line with our funding commitment totalling approximately £370,000. Our technology investments now represent much the larger part of our portfolio, reflecting our change of investment emphasis.

Shareholders will also be aware that on 24 April 2020, the Company completed a placing to raise further funds amounting to £1.06 million of which £454,286 has been firmly placed and £605,714 placed conditional upon approval at the forthcoming Annual General Meeting. As part of the placing, we are pleased to welcome the well-known technology investor, Chris Akers, as a significant shareholder in the Company. The Company is now seeing a growing number of new investment opportunities and the Board believes that the Company now has the resources to enable it to take advantage of them as they arise.

Our results in the last financial year were largely the result of the increased value and partial realisation of our holding in Eco (Atlantic) Oil & Gas Limited ("Eco Atlantic") which has proved a very successful investment for the Company. The Company has now disposed of the majority of its holding in Eco Atlantic, prior to the share price fall triggered by recent market conditions and the sharp fall in oil prices. Overall, we have generated total net cash proceeds of £1.6 million and realised a total net profit on disposal of almost £1 million from this investment.

Our recent focus on technology has proved successful to date. In December 2019, very soon after our initial investment in SVV, one of its portfolio companies, Artomatix Limited, was acquired at a price 500% the valuation at which the investment was made. As realisations when achieved are paid out to investors, Pires received a cash distribution of over €720,000 with a balance of €82,000 due eighteen months after the sale.

A number of the other portfolio companies have also made significant progress since our investment. For example, the share price of VR Education Holdings plc which is quoted on AIM has increased by almost 30% since the beginning of the year. In March 2020, VividQ Limited raised a further £2.4 million from two strategic venture capital funds. VividQ has leading edge software providing holography to consumer electronics. In April 2020, Admix (the trading name for WAM Group Limited), which has developed a programmatic monetization platform for gaming and other entertainment developers, raised US\$6.1 million from existing and new investors at a 450% premium to the valuation at which SVV's initial investment was made. Also, in April 2020, environmental technology specialist, Ambisense Limited, announced its involvement in ground surveys for a very large UK infrastructure project - the Lower Thames Essex-Kent Crossing. More recently, SVV has invested in Buymie Technologies Limited, a company that has created a platform that uses artificial intelligence to provide consumers with access to multiple large retailers - a particular pertinent investment given the Covid-19 crisis.

In March 2020, Pires announced a direct investment of €250,000 in Getvisibility (the trading name for Visibility Blockchain Limited), an artificial intelligence security company, addressing the substantial and increasing problem which corporations face in storing, sorting, accessing and protecting data. It has developed and launched a software platform using artificial intelligence that delivers visibility over a wide range of data.

In view of the current Covid-19 pandemic, it is appropriate to make some comment on the position of the Company. Pires, unlike very many other companies, remains able to carry on its activities effectively. Furthermore, we believe that the Company's technology investments are well positioned against the background of Covid-19. We are, however, keeping all such matters under close review.

In summary, the Company has made good progress during the financial year and beyond. The Board's intention is to build a broadly based technology investment company with interests in a range of companies with exciting growth potential. We believe that the fundraisings that we completed, the successful realisation of a key part of our existing portfolio and the investments that we have made represent valuable first steps in this direction. We look forward to further progress in the current financial year.

Peter Redmond
Chairman

STATEMENT OF COMPREHENSIVE INCOME

	Notes	2019 £	2018 £
CONTINUING ACTIVITIES			
Income			
Other Income		1,368	11
Total income		1,368	11
Gain on investments held at fair value through profit or loss		1,151,997	574,987
Operating expenses		(287,855)	(252,929)
Operating profit from continuing activities		865,510	322,069
Profit before taxation from continuing activities		865,510	322,069
Tax		-	-
Profit for the year from continuing activities		865,510	322,069
Other Comprehensive Income		-	-
Total Comprehensive Income attributable to equity holders of the Company		865,510	322,069
Basic profit per share			
Equity holders			
Basic and diluted		1.64p	0.95p

STATEMENT OF CHANGES IN EQUITY

	Share Capital £	Share Premium £	Capital Redemption Reserve £	Retained Earnings £	Total £
Balance at 1 November 2017	11,914,727	3,581,055	164,667	(15,032,901)	627,548
Profit and total comprehensive profit for the year	-	-	-	322,069	322,069
As at 31 October 2018	11,914,727	3,581,055	164,667	(14,710,832)	949,617
Profit and total comprehensive profit for the year	-	-	-	865,510	865,510
Issue of shares (net of costs)	81,429	668,026	-	-	749,455
As at 31 October 2019	11,996,156	4,249,081	164,667	(13,845,322)	2,564,582

STATEMENT OF FINANCIAL POSITION

	2019 £	2018 £
Non-current assets		
Investment in subsidiaries	1	1
Total non-current assets	1	1
Current assets		
Investments	1,165,409	1,029,526
Trade and other receivables	11,307	11,357
Cash and cash equivalents	1,426,799	48,028
Total current assets	2,603,515	1,088,911
Total assets	2,603,516	1,088,912
Equity		
Issued share capital	11,996,156	11,914,727
Share premium	4,249,081	3,581,055
Retained earnings	(13,845,322)	(14,710,832)
Capital redemption reserve	164,667	164,667
Total equity	2,564,582	949,617
Liabilities		
Current liabilities		
Trade and other payables	38,934	139,295
Total liabilities and current liabilities	38,934	139,295
Total equity and liabilities	2,603,516	1,088,912

1. OPERATING PROFIT

	2019 £	2018 £
Operating profit from continuing activities is stated after charging:		
Depreciation of property, plant and equipment	-	-

2. EARNINGS PER SHARE

	2019 £	2018 £
Profit attributable to the owners of the Company		
Continuing Operations	865,510	322,069

	2019 No. of Shares	2018 No. of Shares
Weighted average number of shares for calculating basic profit per share	52,900,940	33,900,805

	2019 Pence	2018 Pence
Basic and diluted profit per share		
Continuing Operations - basic and diluted	1.64	0.95

Copies of the accounts will shortly be posted to shareholders and will be available on the Company's website at www.piresinvestments.com

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

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