



RNS Half-year/Interim Report

# Half-year Report

## PIRES INVESTMENTS PLC

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**Pires Investments PLC**  
 ("Pires" or the "Company")

**Unaudited interim results for the six months ended 30 April 2020**

Pires Investments plc (AIM: PIRI), the investment company focused on next generation technology, is pleased to announce its unaudited interim results for the six-month period ended 30 April 2020.

### Highlights

- Investment of £1.1 million in Sure Valley Ventures ("SVV")
- Return of €803,000 achieved from the sale of Artomatix, one of the companies within the SVV portfolio, representing a 60% return on the initial SVV investment
- Placing to raise gross proceeds of £1.06 million from both new and existing investors to support the Company's technology strategy
- Direct investment of €250,000 in Getvisibility, an artificial intelligence data management and security company
- Increase in value of other portfolio investments, such as VR Education Holdings plc (AIM: VRE) and Admix
- New SVV investments made during the period, including Buymie, the artificial intelligence based same day grocery delivery company and Getvisibility, as well as a follow-on investment in Admix which has developed a programmatic monetisation platform for gaming and other entertainment developers
- Cash at period end was £0.4 million, increasing to a current figure of £1.1 million

### Chairman's Statement

The six-month period to 30 April 2020 was extremely busy for Pires. In November 2019, the Company invested £1.1 million to acquire a 13% interest in SVV, a venture capital fund focused on investing 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"). SVV has a portfolio of 12 investee companies at different stages of development spanning these sectors. The details of the portfolio companies are set out below:

<b>Artificial intelligence</b>	
Getvisibility	An artificial intelligence security company addressing the substantial problem faced by corporations in storing, sorting, accessing and protecting data.
Nova Leah	An artificial intelligence cyber-security assessment and protection platform for connected medical devices.

Buymie	An artificial intelligence-based same day grocery delivery company.
<b>Internet of things</b>	
Wia	Provides a platform solution for smart buildings, helping people get back to work post Covid-19.
Cameramatics	Platform enabling transport fleet managers to reduce risk, increase driver safety and comply with growing industry governance and compliance.
Ambisense	Provides sensors and an analysis platform to allow real-time gas and environmental monitoring.
<b>AR/VR</b>	
VR Education	A virtual reality company which has transformed how training and education are delivered and consumed globally.
Admix	A platform enabling the monetisation of interactive programmatic brand placements in, for example, video games.
Warducks	A game development studio known for the production of leading games and is soon to launch an AR game that could be the next Pokémon Go.
VividQ	A deep tech software company which has developed a framework for real-time 3D holographic displays for use in heads-up displays and AR headsets and glasses.
Volograms	A reality capture and volumetric video company.
<b>Other</b>	
NDRC Arclabs Fund	Accelerator to source and develop start-up opportunities for potential SVV investment.

This portfolio provides Pires with exposure to some key, cutting-edge and rapidly growing technology sectors.

The investment in SVV has already proved to be successful for Pires with a realisation and a cash distribution being achieved soon after the investment, as a result of the sale of one of the portfolio companies, Artomatix. This company uses AI software technology that can substantially reduce the cost of creation for animated films, video games and other applications. Artomatix was sold at a valuation some 500% of the price of the original investment in the company. Additionally, a number of the portfolio companies have increased in value during the period. This revaluation is principally based on subsequent funding rounds which have taken place at higher valuations than at the time of the initial investment.

Pires also made a direct investment of €250,000 in Getvisibility, an artificial intelligence security company addressing the substantial and increasing problem faced by corporations in storing, sorting, accessing and protecting data.

Further progress has also continued to be made since the period end. Following the progress made by VR Education, which is listed on AIM, SVV realised the value of its original investment through the partial disposal of its holding, thereby returning around £65,000 to the Company. This is the second cash realisation to be made from the Company's investment in SVV in the seven months since the initial investment. SVV has retained the balance of its holding in VR Education and this company's share price, has also

increased further since the period end. In addition, the valuation of Buymie has increased by some 200% since the original investment in April 2020, as part of a second round of investment of €5.8 million into this company, in which SVV participated. Furthermore, SVV has recently made a new investment in Volograms Limited, a company whose technology enables consumers to create their own immersive AR and VR content for use in apps, social media and VR headsets with a particular application in the mobile VR market which is expected to grow significantly.

For the period under review, the Company reported a loss before taxation of £427,068 (six months ended 30 April 2019: profit before taxation of £659,048) and net assets of £3,078,269 as at the period end (31 October 2019: £2,564,582). The profit or loss for the Company takes into account unrealised gains/losses in the portfolio of quoted equity investments which are marked to market which substantially explains the recent profit volatility, plus any return from and adjustment to the carrying value of our unlisted investments, which now comprise much the greater part of our portfolio and are almost all in the technology sector. During the period, the Company's residual holding in Eco (Atlantic Oil & Gas) Limited ("Eco"), which has now been substantially disposed of, reduced in value compared to the significant profits realised in previous periods. Meanwhile, gains were made from the Company's technology investments, principally driven by the sale of Artomatix which has provided a 60% return on Pires original investment in SVV. As at the period end, over 90% of the Company's net asset value comprised cash, placing proceeds and technology-related investments.

Although the Company's net assets have increased over the period, we do not believe that this fairly represents the Company's financial potential, given the scope for significant valuation uplift of the companies within the portfolio. This is clearly demonstrated by the gains, both realised and unrealised, that have been achieved to date from the portfolio. Furthermore, it is worth reiterating that realisations that are achieved within the SVV portfolio result in cash distributions to the Company and are not retained within the fund.

During the period, the Company undertook a placing to raise gross proceeds of £1.06 million from both existing and new investors, including the well-known technology investor Chris Akers. All the cash from the placing was received post the period end.

With regard to Covid-19, we have been fortunate in our ability to be trading as normal. Furthermore, based on respected VC market research firm Dealroom, who have evaluated the effect of the pandemic on various industries, we firmly believe that the investments we have made are well positioned against this backdrop. Our investment strategy is focused on high-tech businesses with significant potential for accelerated growth across sectors such as AI, IoT and AR/VR. We remain encouraged by the progress made to date by each of our portfolio companies and the outlook for the respective sectors in which they operate.

In summary, our investment in the technology sector have already proven to have been successful, with a substantial amount of our original investment already having been returned to the Company. Going forward, the Company is very well positioned to become a leading next generation technology investment company with an interest in a portfolio of high-growth technology companies that have the potential for significant growth.

Peter Redmond  
Chairman

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

Enquiries:

**Pires Investments plc**

Peter Redmond, Chairman  
Nicholas Lee, Director

Tel: +44 (0) 20 3368 8961

**Nominated Adviser**

Cairn Financial Advisers LLP  
Liam Murray/Ludovico Lazzaretti

Tel: +44 (0) 20 7213 0880

**Joint broker**

Peterhouse Capital Limited  
Lucy Williams/Duncan Vasey

Tel: +44 (0) 20 7469 0935

**Joint broker**

Mirabaud Securities Limited  
Peter Krens

Tel: +44 (0) 20 3167 7221

**Financial media and PR**

Yellow Jersey  
Sarah Hollins  
Henry Wilkinson  
Annabel Atkins

Tel: +44 (0) 20 3004 9512

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME  
for the six months ended 30 April 2020**

**Unaudited      Unaudited      Audited**

	Unaudited 6 months ended 30-Apr 2020	Unaudited 6 months ended 30-Apr 2019	Audited Year Ended 31-Oct 2019
	£	£	£
<b>Continuing activities</b>			
	Notes		
<b>Revenue</b>			
Investment income	-	-	-
Other income	327	291	1,368
<b>Total revenue</b>	<u>327</u>	<u>291</u>	<u>1,368</u>
(Losses) / Gains on investments held at fair value through profit or loss	(261,023)	764,994	1,151,997
Operating expenses	<u>(166,046)</u>	<u>(106,237)</u>	<u>(287,855)</u>
<b>Operating profit from continuing activities</b>	<u>(427,068)</u>	<u>659,048</u>	<u>865,510</u>
<b>Profit before taxation from continuing activities</b>	<u>(427,068)</u>	<u>659,048</u>	<u>865,510</u>
Tax	-	-	-
<b>Profit for the period from continuing activities</b>	<u>(427,068)</u>	<u>659,048</u>	<u>865,510</u>
<b>Profit for the period and total comprehensive income attributable to equity holders of the Company</b>	<u>(427,068)</u>	<u>659,048</u>	<u>865,510</u>
<b>Basic (loss)/ profit per share</b>	3		
Equity holders			
Basic and diluted	(0.64)p	1.46p	1.64p

#### UNAUDITED STATEMENT OF FINANCIAL POSITION As at 30 April 2020

	Unaudited As at 30-Apr 2020 £	Unaudited As at 30-Apr 2019 £	Audited As at 31-Oct 2019 £
	Notes		
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	-	-	-
Investment in subsidiaries	1	1	1
<b>TOTAL NON CURRENT ASSETS</b>	<u>1</u>	<u>1</u>	<u>1</u>
<b>CURRENT ASSETS</b>			
Investments	1,683,989	1,477,056	1,165,409
Trade and other receivables	1,030,584	15,876	11,307
Cash and cash equivalents	400,168	932,864	1,426,799
<b>TOTAL CURRENT ASSETS</b>	<u>3,114,741</u>	<u>2,425,796</u>	<u>2,603,315</u>
<b>TOTAL ASSETS</b>	<u>3,114,742</u>	<u>2,425,797</u>	<u>2,603,616</u>
<b>EQUITY</b>			
Called up share capital	11,996,156	11,996,156	11,996,156
Shares to be issued	132,500	-	-

Share premium account	4,249,081	4,249,081	4,249,081
Share premium account for shares to be issued	808,255	-	-
Retained earnings	(14,272,390)	(14,051,784)	(13,845,322)
Capital redemption reserve	164,667	164,667	164,667
<b>TOTAL EQUITY</b>	<b>4</b>	<b>3,078,269</b>	<b>2,564,582</b>

**LIABILITIES****CURRENT LIABILITIES**

Trade and other payables	36,473	67,677	38,934
<b>TOTAL LIABILITIES AND CURRENT LIABILITIES</b>	<b>36,473</b>	<b>67,677</b>	<b>38,934</b>

<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,114,742</b>	<b>2,425,797</b>	<b>2,603,516</b>
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**UNAUDITED CASH FLOW STATEMENT**

For the six months ended 30 April 2020

	Unaudited 6 months ended 30-Apr 2020	Unaudited 6 months ended 30-Apr 2019	Audited Year ended ended 31-Oct 2019
	£	£	£
<b>Cash flows from operating activities</b>	<b>(427,068)</b>	<b>659,048</b>	<b>865,510</b>
Depreciation	-	-	-
Realised (gain) on disposal of investments	(284,081)	(120,060)	(419,198)
Fair value movement in investments	545,430	(644,934)	(732,799)
Finance income	(327)	(291)	(1,368)
(Increase)/decrease in receivables	(1,019,277)	(4,519)	50
Increase/(decrease) in payables	(2,461)	(71,618)	(100,361)
<b>Net cash absorbed by operating activities</b>	<b>(1,187,783)</b>	<b>(182,374)</b>	<b>(388,166)</b>
<b>Cash flows from investing activities</b>			
Payments to acquire investments	(1,699,909)	-	-
Proceeds of sale of investments	919,980	317,464	1,106,114
Finance income received	327	291	1,368
<b>Net cash from investing activities</b>	<b>(779,602)</b>	<b>317,755</b>	<b>1,017,482</b>
<b>Cash flows from financing activities</b>			
Proceeds receivable from shares to be issued	940,755	749,455	749,455
<b>Net cash from financing activities</b>	<b>940,755</b>	<b>749,455</b>	<b>749,455</b>
<b>Net increase/(decrease) in cash and cash equivalents during the period</b>	<b>(1,026,631)</b>	<b>884,836</b>	<b>1,378,771</b>
Cash and cash equivalents at beginning of the period	1,426,799	48,028	48,028
<b>Cash and cash equivalents at end of the period</b>	<b>400,168</b>	<b>932,864</b>	<b>1,426,799</b>

## Notes to the Unaudited Interim Report

### 1. GENERAL INFORMATION

Pires Investments plc (the "Company") is a company domiciled in England whose registered office address is 9<sup>th</sup> Floor, 107 Cheapside, London EC3V 6DN. The condensed interim financial statements of the Company for the six months ended 30 April 2020 is that of the Company only.

The condensed interim financial statements do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006.

The financial information for the year ended 31 October 2019 has been extracted from the statutory accounts for that period which were prepared in accordance with International Financial Reporting Standards ("IFRS"). The auditors' report on the statutory accounts was unqualified. A copy of those financial statements has been filed with the Registrar of Companies.

The financial information for the six months ended 30 April 2019 and 2020 was also prepared in accordance with IFRS.

The condensed interim financial statements do not include all of the information required for full annual financial statements.

The condensed interim financial statements were authorised for issue on 30 July 2020.

### 2. BASIS OF ACCOUNTING

The financial statements are unaudited and have been prepared on the historical cost basis in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS") using the same accounting policies and methods of computation as were used in the annual financial statements for the year ended 31 October 2019. As permitted, the interim report has been prepared in accordance with the AIM rules for Companies and is not compliant in all respects with IAS 34 Interim Financial Statements. The condensed interim financial statements do not include all the information required for full annual financial statements and hence cannot be construed as in full compliance with IFRS.

### 3. PROFIT / LOSS PER SHARE

The calculation of the basic loss per share is based on the following data:

	<b>Unaudited 6 months ended 30-Apr 2020</b>	<b>Unaudited 6 months ended 30-Apr 2019</b>	<b>Audited Year ended 31-Oct 2019</b>
	£	£	£
(Loss)/ Profit on continuing activities after tax	(427,068)	659,048	865,510

#### Basic and fully diluted

Basic and fully diluted earnings per share have been computed based on the following data:

	<i>Number of shares</i>		
Weighted average number of ordinary shares for the period	66,472,465	45,238,999	52,900,940
Basic earnings per share from continuing activities (p)	(0.64)	1.46	1.64

There were no dilutive instruments that would give rise to diluted earnings per share.

### 4. STATEMENT OF CHANGES IN EQUITY

	<b>Share Capital</b>	<b>Shares to be issued</b>	<b>Share Premium</b>	<b>Capital Redemption Reserve</b>	<b>Retained Earnings</b>	<b>Total</b>
	£	£	£	£	£	£
<b>At 1 November 2018</b>	<b>11,914,727</b>	<b>-</b>	<b>3,581,055</b>	<b>164,667</b>	<b>(14,710,832)</b>	<b>949,617</b>
Issue of Share Capital	81,429		668,026			749,455
Profit for the 6 months ended 30 April 2019	-	-	-	-	659,048	659,048

<b>At 30 April 2019</b>	<b>11,996,156</b>	<b>-</b>	<b>4,249,081</b>	<b>164,667</b>	<b>(14,051,784)</b>	<b>2,358,120</b>
Profit for the 6 months ended 31 October 2019	-	-	-	-	206,462	206,462
<b>At 31 October 2019</b>	<b>11,996,156</b>	<b>-</b>	<b>4,249,081</b>	<b>164,667</b>	<b>(13,845,322)</b>	<b>2,564,582</b>
Shares to be issued	-	940,755	-	-	-	940,755
Loss for the 6 months ended 30 April 2020	-	-	-	-	(427,068)	(427,068)
<b>At 30 April 2020</b>	<b>11,996,156</b>	<b>940,755</b>	<b>4,249,081</b>	<b>164,667</b>	<b>(14,272,390)</b>	<b>3,078,269</b>

## 5. DISTRIBUTION OF INTERIM REPORT

Copies of the Interim Report for the six months ended 30 April 2020 are available on the Company's website, [www.piresinvestments.com](http://www.piresinvestments.com).

### 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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