Adamas Finance Asia

Strong revenue growth emerging

28 May 2020

The highlight of FY19 results was an over six-fold increase in gross portfolio income to USD2.24m, as ongoing repositioning of the investment portfolio moved it closer to the point where it will support sustainable dividends. The period was, of course, pre COVID-19, but ADAM does not expect any material impact on portfolio valuations for FY20. Each investment has a strategy in place to actively manage operational exposure and mitigate the pandemic's impact.

One potentially positive consequence is apparent in ADAM's pipeline of prospective new investments. Asia's SMEs, already lacking access to traditional financing pre-COVID-19, have an even more urgent need for new sources of cash.

Overview

- ADAM remains relatively well positioned. It has an existing portfolio of diversified pan-Asian investments, access to liquidity to continue to both provide support where required and finance new investment. Since the year end, it has raised **another USD1.7m** via further subscriptions to its corporate bond issue, launched in October 2019. That brings total subscriptions to c. USD3.6m out of a possible $10m limit..
- Although economic disruption has yet to play out, China, Hong Kong and other territories relevant to ADAM's portfolio have reported **initial recovery** and are gradually lifting lock-down measures. ADAM sees Asian markets benefiting from their experience of previous pandemics (Bird Flu/SARS), with more rapid adoption of strict rules on population behaviour and travel restrictions vs Western countries.
- A measured approach to asset selection has built initial revenue scale, although the full benefit of FY19 investments will be reflected in FY20 results, and management expects to secure further investments this year. The figures reveal progress towards ADAM's first strategic target, to scale up its investment base to (a) generate surplus cash to cover investor distributions and (b) progressively reduce sensitivity to the performance of any single holding, particularly to legacy investments.

Valuation: 66% discount to NAV

Providing meaningful guidance is difficult during the first phase of portfolio build, and recent events only make that harder. However, we still expect ADAM to announce further investments this year and build capacity to cover potential distributions.

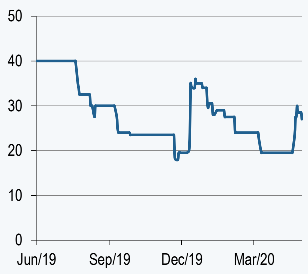
The key short-term catalyst to a higher equity rating is newsflow on progress to bring legacy holdings, such as Chinese dolomite quarry operation Future Metal Holdings (FMHL), back up to full speed i.e. increased revenue generation and guidance and delivery of revenue targets. That should trigger broader acceptance of intrinsic value.

In the interim, variables and risks appear offset by a sizeable (c.66% discount to underlying NAV/share (99c), itself based upon a conservative assessment of fair value.

Company Data

EPIC	ADAM
Price (last close)	27p
52 weeks Hi/Lo	40p / 19p
Market cap	£28m

Share Price, p



Source: ADVFN

Description

Adamas Finance Asia intends to be the leading London-quoted, pan-Asian focused investment vehicle. It provides finance to a diversified portfolio of established and emerging SMEs across Asia. Its stated objective is to provide shareholders with attractive risk adjusted income, with potential for capital growth, from unique access to income generating assets.

ADAM appointed a new Investment Manager, Harmony Capital Investors Limited in May 2017. Harmony Capital has an established track record as an Asia based investor, with local networks and expertise, and disciplined risk management processes. It has offices in London, Hong Kong, and Singapore.

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Strong progress in 2019, stable outlook

We briefly cover FY19 results, then look in more detail at how the components of ADAM's portfolio are coping with the current pandemic-led economic disruption and finally consider how recent events affect Group strategy.

Positively, the messages at both the portfolio and Group level are broadly encouraging, whilst pragmatic regarding the challenges its portfolio companies face over the next 6 to 12 months. The potentially unpredictable course of the pandemic adds opacity to the outlook, but ADAM and its investee companies plan to continue to pursue growth, whilst ensuring that the downside remains as well covered as practicable.

FY19 results: strong growth in portfolio income

The key components of the FY19 result were a **six-fold increase** in gross portfolio income and broadly stable valuations. Portfolio income at USD2.2m, (FY18: USD0.36m), reflected an ongoing transition to income generating assets. That rebalancing will continue to be driven both by new investment and over time, the disposal of legacy, equity-based holdings. Gross portfolio income comprises income from investments held through wholly owned SPVs (Unquoted Financial Assets) and direct investments (Loans & Receivables).

Summary P&L

12 months to end Dec, USD'000s	2019	2018
Income from unquoted financial assets	902	216
Finance income from loans	1,341	148
Realised loss on disposal of investments	-	(4)
Gross portfolio income	**2,243**	**360**
Fair value changes on financial assets through P&L	201	(1,085)
Expected credit loss provision	(237)	-
Net portfolio income	**2,207**	**(725)**
Administrative expenses	(1,296)	(1,126)
Operating result - before fees	**911**	**(1,851)**
Management fees	(1,679)	(1,650)
Operating result – after management fees	**(768)**	**(3,501)**
Incentive fees	(1,907)	0
Operating result	**(2,675)**	**(3,501)**
Finance expense	(98)	0
Loss before taxation	**(2,773)**	**(3,501)**
Tax	0	0
Loss after tax	**(2,773)**	**(3,501)**
Loss per share		
Basic & diluted	(3.11c)	(4.36c)

Source: ADAM Fy19 results

ADAM reported a USD2.8m FY19 loss on ordinary activities, 21% below FY2018 (FY18: USD3.5m loss). The components were a USD1.1m fair value increase in the portfolio (FY18: USD0.9m decline), USD1.2m net finance income (FY18: USD0.1m) and USD5.1m total operating expenses (2018: USD3.9m). The latter includes a USD1.9m incentive fee (discussed below).

The cost ratio i.e. management fees/portfolio income will **naturally decline** as new investments are secured and progressively stabilise. The FV increase includes USD0.9m income from its investments, and a USD0.2m period end positive adjustment to valuations of portfolio assets. FY19 saw new investments and material changes to ADAM's financial structure, only partly visible in the year's figures. ADAM plans to build its portfolio and revenues to a multiple of its current position, which will simultaneously reduce sensitivity to legacy assets. Events since make it even harder to put those results in context, but the Group's positioning put it in a relatively strong position **to capitalise upon uncertainty**.

Portfolio composition

	2019		2018	
USD '000s	Unquoted financial assets	Loans and receivables	Unquoted financial assets	Loans and receivables
Balance at 1 Jan	**55,519**	**28,902**	**75,639**	**6,579**
Additions	10,550	3,715	4,825	
Asset disposal/swap			(25,161)	25,161
FV change through P&L	1,103	(1)	216	
Finance income on loans		1,341		
ECL provision		(237)		
Disposals				(2,838)
Balance at 31 Dec	**67,172**	**33,720**	**55,519**	**28,902**

Source: ADAM FY19 results

Robust finances can fund range of options for FY 2020

The Group has strong cash reserves. It ended the year with USD4.1m available and on 11 May 2020 raised USD1.7m gross via new subscriptions to its corporate bond, the second close of its corporate bond issuance programme. ADAM has so far raised USD3.6m in two tranches from Middle Eastern investors of up to a potential USD10.0m. The latest Corporate Bond matures in October 2022 and has a cash coupon payable at 12.5% pa. The terms of future corporate bond issuance may change. The Corporate Bond diversified ADAM's investor pool into the Middle East, a new region where it is represented by an active Director.

As part of a syndicate of investors, the Company announced a share buyback transaction in December 2019 at 16.1p. 1.264m shares (52.7% of the total shares bought) were acquired by long-term third-party investors for GBP 203,504 (USD 265,440). The transaction with these third-party investors closed in March 2020.

ADAM's share buy-back programme started in February 2019 and has enabled it to absorb forced sellers willing to sell at prices below market. In FY19 it purchased 3.87m shares at an average USD0.18. At end FY19 3.32m shares were held in treasury, with 104.91m in issue.

Ill winds driving attractive investment opportunities to ADAM

Investment will continue and ADAM reports an increasing pipeline of attractive opportunities, partly driven by the current crisis. Its target Asian SME segment already had relatively limited access to capital. This financing gap is expected to be more acute short term. **ADAM's positioning as a rare source of institutional capital puts it in a strong position to capitalise upon its pipeline across broad sectors and geographies.**

Valuation and outlook

The shares responded positively to these results with a 30% increase, which still puts them at a 66% discount to end FY19 NAV/share (assuming GBP/USD at 1.22). NAV at end December 2019 was USD100.9m (FY18: USD93.0m), equivalent to **USD0.99/share** (FY18: USD1.13), which excludes treasury shares. The decline in NAV/share reflects the impact of new equity issued in FY19 and net losses.

The rating attributes limited value to the significant progress made by ADAM over the last two years, underpinned by ADAM's confirmation that it does not expect the valuation of its investment portfolio to fall materially. Another factor is that, subject to certain caveats related to the unpredictable path of the coronavirus, ADAM sees individual assets' prospects as broadly intact.

NAV discount 66%, rationale is ambiguous

An overview of ADAM's portfolio reveals that, although growth i.e. new investment in pan-Asian SMEs is still at a relatively early stage, there is initial country and sector diversification, and strong liquidity at individual investment and Group level.

The statement provides detail on its approach to attributing fair value to its investment portfolio. It is based on the International Private Equity and Venture Capital Valuation Guidelines valuation practices. **That implies that material risks are already 'priced in' to the current NAV.**

Investment Portfolio Valuations

		31 Dec 19 USDm	31 Dec 18 USDm
Future Metal Holdings	84.8% stake. FMH which owns the largest magnesium dolomite quarry in Shanxi Province, China	44.7	42.5
Fook Lam Moon	Hong Kong based food and beverage business. ADAM holds convertible bond.	27.5	26.6
Infinity Capital Group	Real estate developer of luxury residential properties in Niseko, Japan, premier Asia ski destination. Senior secured loan investment.	2.1	0.0
DocDoc	Leading pan-Asian virtual network of physicians, clinics, and hospitals. Assists patients finding high quality medical care	2.2	2.1
Infinity TNP/Tellus Niseko	Wholly owned subsidiary of ICG. Holds seven units in a luxury hotel condominium	7.3	0.0
Meize	Design, manufactures of wind turbine blades	8.2	8.2
GCCF & Other Invs.	Private equity investment	8.9	5.0
		100.9	**86.6**
Corporate debt		(1.9)	0
Other Liabilities		(2.2)	(0.2)
Cash		4.1	8.8
Total		**100.9**	**93.0**

Source: ADAM FY19 results

Nonetheless, ADAM's current and anticipated investments include credit instruments, so any assessment of fair value will incorporate significant subjective management judgment or estimates. That is inevitable when financial instruments included in this category are generally private portfolio companies, real assets investments and credit investments.

In our view, the excessive discount reflects investors' view of the fact that:

- ADAM's portfolio includes structured loans or equity instruments in private companies operating in emerging markets. Its portfolio companies are at mature stages of development but operate in a relatively illiquid and uncertain capital market environment.
- The legacy assets i.e. those acquired prior to the appointment of the current Investment Manager **Harmony Capital** (HCIL), still represent 44% of ADAM's gross assets.

  ADAM believes it has a firm grip on these, but caution remains over, for example, the outcome of its efforts to bring its highest valued asset, FMH's dolomite quarry in China back into full production and achieve an exit on satisfactory terms. Its strategy appears to be on track and although FMH was previously written down to reflect uncertainty, hesitancy may weigh on ADAM's equity valuation.

ADAM'S share price has remained stable in the light of COVID-19. From an operational perspective ADAM acknowledges that its portfolio companies have been affected by the pandemic to limited and varying degrees.

However, it expects impact to be moderated by the fact that many countries, including China and Hong Kong, are **already exhibiting early signs of recovery** as lock-down measures are lifted gradually. In addition, the investee companies operate in markets with significant experience in dealing with global pandemics such as SARS and Bird Flu, which resulted in more rapid changes to behaviours and travel restrictions than has been the case in the West. Furthermore, ADAM's investments have business continuity procedures and protocols in place to effectively mitigate the impact of virus pandemic. At the start of this year, Harmony Capital met with each of them to review the additional steps they have put in place to prepare for COVID-19. It remains in constant communication with all portfolio company investments and business partners. In mid-March 2020, ADAM's largest asset, Future Metal Holdings Limited, restarted production, with local management actively pursuing orders from construction companies, all of which have commenced operations.

Dividend capacity, how far away from surplus cashflow?

ADAM's target return combines income and capital gain from a diversified portfolio of pan-Asian SME investments. Although no dividend is recommended for FY19, **the potential for distributions is improving** in line with strategy.

We have not provided detailed financial projections in this note, simply because such guidance would require:

- Detailed confirmation of how measures taken to contain the pandemic have affected investment performance and fair values
- Assumptions regarding the scale, timing, and terms of any future investment
- Whether returns are receivable in cash, payment in kind, rolled up/accruing
- Revenue forecasts/targets at FMH
- Finance available and cost. Use of cash for existing assets vs acquisitions
- Ability to access exits via trade sales, IPOs, co-investment in a less receptive market

There will likely be sufficient clarity on some of the above over the next six months to support forecasts.

It is, however, possible to meaningfully assess outgoings and derive some hypothetical indication of growth required to generate necessary cashflow. Again, this calculation could be affected by further potential bond issues or equity placings.

If ADAM is going to be able to pay a dividend, the financial model would at least need to show that it can generate sufficient cash revenue to cover both the cost of servicing its corporate bonds; at a 12.5% pa coupon that is c USD0.45m pa (FY19: USD0.1m) and their scheduled redemption (USD3.6m) in October 2022, as well as management charges and incentive fees.

Management charges and incentive fees are a known quantity.

- The Investment Manager, HCIL, is entitled to management fees of 0.875% of NAV, calculated and payable bi-annually. It received USD1.68m in FY19 and based upon year-end NAV of USD100.9m, would receive c USD1.77m in FY20.
- The Investment Manager's incentive fee was USD1.9m in FY19 and pivots upon net asset value performance. HCIL is entitled to an incentive fee if ADAM's audited year-end NAV is (a) above the figure for the prior year end at which an incentive fee became payable (High Water Mark) and (b) above 105% of the audited NAV at the last calendar year end (Hurdle). If NAV exceeds the High-Water Mark and Hurdle the incentive fee will be 20% of y-o-y NAV growth. The incentive fee is settled 50:50 in cash and shares.

Another USD0.38m share-based payment expense in 2019 related to the grant of the final tranche of warrants to the Investment Manager, which was agreed at the time of its appointment in May 2017.

Without the incentive fee the FY19 pre-tax loss was USD0.87m. That is probably the best measure of the gap which needs closing before any distribution is feasible. Other expenses would increase in parallel with portfolio growth, but we would expect to be able to more reliably model underlying cashflows over the course of the current year.

Portfolio overview

ADAM projects that portfolio income growth will continue to gather pace this year.

The key measure is whether – and how fast - it is approaching a point where it generates free cash to cover distributions.

The next few months will provide more clarity on how global measures to contain the spread of COVID-19 have affected each of its investment's prospects. ADAM's statement considers the specific impacts on its portfolio companies. Its team tracks the financial and operating performance of each investment at least weekly.

The impact of the pandemic varies by sector, but Asian countries are generally regarded as ahead of the curve. They learned from previous pandemics like Bird Flu and SARS and implemented distancing and travel restrictions more rapidly than Western countries.

Portfolio activity during FY19

Principal Assets	Effective Interest %	Instrument type	Valuation FY18	Credit income	Credit inv.	Cash receipts	Equity inv. + other	FV	Provision	Valuation FY19
Fook Lam Moon	-	Conv. Bond	26.6	1.3	-	(0.2)	-	-	(0.2)	27.5
Future Metal	84.8	Structured Equity	42.5	0.4	1.7	-	0.1	-	-	44.7
Meize Energy	7.9	Red. Conv. Prefs	8.2	-	-	-	-	-	-	8.2
DocDoc	-	Conv. Bond	2.1	0.1	-	-	-	-	-	2.2
Infinity Capital	-	Sec.Loan Notes	-	0.4	2.0	(0.2)	-	-	-	2.1
Infinity TNP	40	Equity	-	-	-	-	7.2	0.1	-	7.3
GCCF & others	-		5.0	-	-	-	3.8	-	-	8.8
Corporate debt	-		-	-	-	(1.9)	-	-	-	(1.9)
Other liabilities	-		(0.2)	-	-	-	(2.0)	-	-	(2.2)
Cash			8.8	-	(3.7)	0.4	(3.3)	-	-	4.1
Total NAV			**93.0**	**2.2**	**-**	**-**	**5.7**	**0.1**	**(0.2)**	**100.9**

Source: ADAM FY19 results

Future Metal Holdings Limited (FMHL)

FMHL is ADAM's largest asset by value. Including loan disbursements and accrued PIK interest, the estimated fair value of the group's investment at end FY19 was USD44.7m, 44.3% of its asset base at end FY19.

ADAM holds an 84.8% interest via two SPVs, Future Metal Holdings Limited and Dynamite Win Limited. These interests were restructured in August 2019 in line with ADAM's plan to reposition and eventually monetise its investment.

FMHL owns a dolomite magnesium limestone quarry project in Shanxi province, China. It was brought back into trial mining production towards the end of 2019, following focused investment by ADAM to upgrade staff and site infrastructure and obtain necessary operating licenses. This is an important event and we believe that revenue generation and targets will provide possible catalysts for a **firmed-up equity valuation**.

The next test is the quarry's continued build up to full production levels in 2020, and free cash flow. The current mining license was to be renewed in Q1 2020 but due to the pandemic, the local Ministry of Natural Resources granted a 3-month extension for the renewal of the license, which is now expected to happen in Q2 2020.

Local government restrictions imposed in February/March to contain COVID-19 prompted temporary legal halt to quarry operations. Local management had originally planned for limited production in this period due to typically adverse winter weather conditions. The quarry resumed operations in mid-March 2020 and local management is actively pursuing sales order from domestic construction companies, all of which have commenced operations.

An independent report in June 2019 confirmed readily accessible markets for the quarry's output. The study cited supply shortages, the quarry's proximity to smelters, and early mover advantages due to its compliance with strict environmental regulations. The report also confirmed estimated market prices in line with ADAM's projections.

Fook Lam Moon (FLMH)

ADAM's second biggest investment by value is Hong Kong restaurant group **Fook Lam Moon (FLM)**. ADAM holds a USD26.5m convertible bond issued by FLMH with a 5-year maturity and a 5.0% pa coupon (3.0% paid in cash payable, the balance rolled up).

That Convertible Bond had a carrying value of USD27.5m at end FY19. That included PIK interest accrued and cash interest receivable, less a provision against aged cash interest receivables.

Founded in 1948, FLMH is Fook Lam Moon's controlling shareholder. Its business is the operation of high-end Chinese restaurants and food & beverage management in Hong Kong. Its restaurants in Hong Kong have inevitably seen lower revenues due to the impact on inward tourism of last year's protests and now the pandemic.

ADAM reports that the business has started **rebuilding towards more normalised levels** and draws reassurance from FLM's 70 years of operation. It overcame past challenges such as SARS and has taken appropriate steps to secure its long-term future i.e. reduced costs and engaged online food distribution channels. The outlook is helped by the fact that FLM group owns the building in which its main restaurant business is based. ADAM reported that FLMH has recently begun to return to more normal levels.

Infinity Capital Group (ICG)

ICG develops premium residential projects in Hirafu Village, a ski village in Niseko, Japan, **one of the world's leading winter travel destinations**. The performance of the group's properties is dependent upon tourism levels.

ADAM agreed to provide a USD4m Secured Loan note facility to ICG in December 2018. That facility was available in two equal tranches at a cash coupon of 17.5% pa. Both tranches were drawn in 2019, respectively in January and August. ADAM also holds detachable warrants, which give it the right to purchase shares in ICG or its parent company if either undertakes a liquidity event e.g. an IPO.

In July 2019, a Hong Kong based family office agreed to participate alongside ADAM and fund 50% of the facility. The Secured Loan had a carrying value of USD2.1m at end FY19, including cash interest receivable.

In November 2019, ADAM acquired 40% of ICG's wholly owned subsidiary Infinity TNP, the consideration for which was US$7.2m in shares. Infinity TNP holds units in a luxury hotel condominium, Tellus Niseko. This development in Hirafu Village includes a high-end concierge service, Michelin chef-managed restaurant, in-room onsen (hot spring) baths and prime location minutes from the Grand Hirafu ski lifts.

Infinity TNP: acquisition of 40% stake in November 2019, value USD7.2m

In November 2019, ADAM acquired 40% of ICG's wholly owned subsidiary, Infinity TNP. Infinity TNP holds units in a luxury hotel condominium, Tellus Niseko in Hirafu Village.

Consideration was settled in ADAM shares valued at USD7.2m at a price of GBP 0.348/share, a premium of 20% to the 30-day weighted average price per share immediately prior to the execution of the sale and purchase agreement. Based upon an independent 3rd party valuation of the underlying assets, the end FY19 value was USD7.3m.

At end FY19 the residential area of Tellus Niseko was fully complete and the apartments leased to guests for the 2019/20 winter season. However, the state of emergency declared by the local government in late February 2020, when the Niseko winter season was nearly finished, did adversely affect winter tourism, and forecast occupancy. Local management expects tourism to improve in the summer period as Japan likely re-opens its borders.

The restrictions led ICG to re-assess its construction plans for residential projects in 2020. The security pledged for the loan is intact as it consists of land and completed apartments.

DocDoc Pte Ltd

DocDoc is a private pan-Asian health-tech company headquartered in Singapore. It is **Asia's leading patient empowerment company** and uses artificial intelligence to match patients with the most suitable medical professionals, at the best prices.

The COVID-19 pandemic has generated **higher inquiries** for DocDoc from global insurance companies and multi-national corporates. These have been prompted by a desire to understand how the company's platform can help reduce costs and enhance their core offerings to policyholders and employees.

ADAM's interest in DocDoc is held via a Convertible Bond with a USD2.2m carrying value at end December 2019 (FY18: USD2.1m). That included PIK interest accrued and cash interest receivable. In June 2019 DocDoc closed its Pre-Series B Convertible Bond round at USD13m. That round was led by ADAM with co-investors including Hong Kong's Cyberport Macro Fund, family offices and a fund managed by a specialist financial services global investment firm.

Meize Energy Industries Holdings Limited

ADAM holds a 7.2% stake via a redeemable preference share structure. Meize is a private company which designs and manufactures blades for wind turbines. The fair value of ADAM's stake was valued at USD8.2m at end FY19 derived from a DCF analysis, which represents a more than 50% discount to the full redemption value of its investment.

In 2019 Meize experienced an issue with its sole client, a Chinese state-owned enterprise which post an effective restructuring repudiated certain of its commercial contracts. In response, Meize, is pursuing outstanding contracted amounts owing and completed its own internal restructuring.

Operations recommenced in late 2019, then halted in early 2020 in line with restrictions imposed by the local government. It has now recommenced operations and gradually increased levels of production. Local management has also re-engaged with its target market to capitalise upon a renewed Chinese focus on clean energy initiatives.

Legacy portfolio investments

Greater China Credit Fund LP (the "GCCF")

ADAM invested in GCCF in 2013, a private equity investment fund launched by Adamas Asset Management (HK) Limited ("Adamas"), a Hong Kong-based investment management firm.

At end FY19 the fair value of its interest in GCCF was USD2.8m (FY18: USD2.8m). The Fund targets high-return investments in SMEs, predominantly in Greater China.

Changtai Jinhongbang Real Estate Development Co. Ltd (CJRE)

ADAM divested its entire 15% stake in CJRE, the owner of a luxury resort and residential development project in Fujian Province, Eastern China in 2017.

The transaction was, however, structured such that a 'tail' payment of RMB12.0m (USD1.8m) remained receivable on or before 21 December 2018. This outstanding sum was characterised as a loan, dependent on CJRE itself receiving funds from an underlying project under development.

The outstanding balance at end FY19 was USD1.7m (FY18: USD1.8m), the USD0.1m difference solely due to RMB/USD depreciation. CJRE awaits payment from a counterparty to the project which when received, should see the outstanding loan repaid in full.

Income statement

Year to end Dec, USD'000s	2018	2019
Income from unquoted financial assets	216	902
Finance income from loans	148	1341
Realised (loss)/gain on disposal of investments	(4)	0
Gross portfolio income	**360**	**2,243**
Fair value changes on financial assets at through profit or loss	(1,085)	201
Provision for expected credit loss		(237)
Net portfolio income	**(725)**	**2,207**
Management fees	(1,650)	(1,679)
Incentive fees	0	(1,907)
Administrative expenses	(1,126)	(1,296)
Operating gain/(loss)	**(3,501)**	**(2,675)**
Finance expense	0	(98)
Dividend income	0	0
Profit/(Loss) before taxation	**(3,501)**	**(2,773)**
Taxation	0	0
Profit/(Loss) for the year	**(3,501)**	**(2,773)**
Other comprehensive income:		
Exchange differences arising on translation of foreign operations	0	(81)
Total comprehensive income/(expense) for the year	(3,501)	(2,854)
Earnings per share		
Basic	(4.36) cents	(3.11) cents
Diluted	(4.36) cents	(3.11) cents

Source: ADAM FY19 results

Balance Sheet

USD'000s, Year to end Dec	2018	2019
Assets		
Right of use asset	0	34
Unquoted financial assets at fair value through profit or loss	55,519	67,172
Loans and other receivables	28,902	33,720
Cash and cash equivalents	8,828	4,071
Total assets	**93,249**	**104,997**
Liabilities		
Loan payables and interest payables	0	1,909
Other payables and accruals	201	2,211
Total liabilities	201	4,120
Net assets	**93,048**	**109,117**
Equity and reserves		
Share capital	134,054	145,027
Treasury share reserve		(671)
Share based payment reserve	2,555	2,936
Accumulated losses	(43,561)	(46,415)
Total equity & reserves attrib.to owners of the parent	**93,048**	**100,877**

Source: ADAM FY19 results

Cash flow		
Year to end Dec, USD'000s	**2018**	**2019**
Cash flows from operating activities		
Gain/(Loss) before taxation	(3,501)	(2,773)
Adjustments for:		
Finance income	(148)	(1,341)
Finance expense	0	98
Exchange gain	0	(57)
Depreciation of right of use assets		4
Fair value changes on unquoted financial assets through profit or loss	(216)	(1,103)
Realised loss/(gain) on disposal of investments	4	
Share-based expenses	236	381
Decrease/(Increase) in other receivables	2,981	603
Increase/(Decrease) in other payables and accruals	(1,680)	1,925
Net cash used in operating activities	**(2,324)**	**(2,263)**
Cash flows from investing activities		
Dividend income received	0	
Sale proceeds of unquoted financial assets at fair value through profit or loss	0	
Purchase of unquoted financial assets at fair value through profit or loss	(2,065)	(3,723)
Proceeds from repayment of loan granted	0	
Net cash generated in investing activities	(2,065)	(3,723)
Cash flows from financing activities		
Finance expense paid	0	
Loans granted	0	1,900
Loans repayment	0	
Purchase of treasury shares		(671)
Net proceeds from issue of shares	0	
Net cash used from financing activities	0	1,229
Net increase / (decrease) in cash and cash equivalents	(4,389)	(4,757)
Cash and cash equivalents and net debt at the beginning of the year	**13,217**	**8,828**
Cash and cash equivalents and net debt at the end of the year	**8,828**	**4,071**

Source: ADAM FY19 results

Investor Access

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