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Final Results

FINAL RESULTS

[PIRES INVESTMENTS PLC](#)

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Pires Investments plc ("Pires" or the "Company")

Final Results for the year ended 31 December 2022

The Board of Pires Investments plc (AIM: PIRI), the investment company investing in next generation technology with a focus on AI, announces its audited results for the year ended 31 December 2022.

Financial highlights

- Net asset value ("NAV") of £7,822,000 as at the year-end (31 December 2021: £7,223,000), an increase of 8.3% compared to the prior year figure
- NAV per share of 4.28 pence per share (2021: 4.56 pence) a decrease of 6.0% compared to the previous year
- Loss of £0.37 million for the year (year ended 31 December 2021: profit before taxation of £1.49 million)
- Placing to raise £500,000 before expenses in August 2022
- Two-year debt funding facility amounting to £1.235 million announced on 22 December 2022
- The Pires share price is currently at a 57% discount to its NAV per share of 4.28 pence

Portfolio highlights

- Getvisibility- raised €10 million from two new venture capital investors at a significantly increased valuation
- Investment in a second Sure Valley Ventures ("SVV2") fund, alongside the British Business Bank ("BBB"), an investment arm of the UK Government. SVV managed funds made new investments in Everyangle, Jaid and Retinize
- Portfolio companies continue to attract international investors such as Alpha Intelligence Capital, Fortino Capital Partners, Act Venture Capital and Furthr VC.
- Smarttech247 successfully achieved a listing on AIM, at a significantly higher valuation compared to the original investment cost.
- Sure Valley Ventures Fund ("SVV1") enters realisation phase of its investment cycle.

Review of activities

Pires Investments plc is an investment company focused on next generation technology with a focus on AI. Pires invests in its portfolio companies directly, or indirectly through (i) its investment in two funds managed by SVV and (ii) its investment in Sure Ventures plc.

2022 was a testing year for small-cap listed companies and for those companies with a technology focus. However, a significant uplift in value was achieved both from the Company's investment in Getvisibility, and Smarttech247 achieved a listing on AIM, notwithstanding difficult market conditions. More generally, the Company has taken a prudent view on the value of its investment portfolio and adjusted the value of certain of its investments downwards to reflect the current weak economic background. Consequently, the net effect of these non-cash adjustments has, unfortunately, led to an overall loss for the year.

The Company's principal investment portfolio categories are summarised below:

Cost or valuation at	Cost or valuation at
31	31

	December 2022 £000's	December 2021 £000's
Categories		
SVV	5,219	4,146
Direct investments	2,901	2,835
Cash/other listed securities	856	409
Total	8,976	7,390

A. Investments in SVV funds

1. Sure Valley Ventures Fund ("SVV1")

SVV1 is SVV's first fund which has completed its new investment phase and has now entered its realisation phase. It has already achieved three realisations/liquidity events to date, including the recent listing of Smarttech247, with more expected in the short term.

Within the SVV1 portfolio, highlights during 2022 include:

- Getvisibility raised €10 million from new investors including Alpha Intelligence Capital, a global venture capital firm which invests in deep artificial intelligence/machine learning technology based companies and Fortino Capital Partners, a leading B2B software venture capital and growth equity firm.
- Admix, the leading In-Play monetisation company that bridges the gap between gaming content and brands, merged with LandVault Inc ("LandVault") (<https://landvault.io/>), a builder of virtual experiences in metaverse worlds aimed at attracting people into blockchain and metaverse ecosystems, in order to enter into the Web3 space.
- A new investment was made in Everyangle. Everyangle is a Dublin-based computer-vision company that helps physical retailers, hospitality venues and convenience service stations optimise operations. Everyangle raised €2.7 million in a seed fundraise in October 2022. This fundraise marked the final new company investment within SVV1, and the funds will be used to accelerate sales, invest in ongoing product development, and drive further expansion in the US and UK. The funding round was led by SVV, Act Venture Capital and Furthr VC (formerly DBIC Ventures), with participation from Enterprise Ireland.
- Smarttech247 Group plc ("Smarttech247") (AIM: 5247) is an established global artificial intelligence-based cybersecurity business, specialising in automated managed detection and response. It has a successful track record of revenue growth and profitability and is positioned at the intersection of three major cyber security growth markets: security threat incidents, growth of cloud adoption and proliferation of cyber security data generation that needs to be integrated.

On 15 December 2022, the company's shares were admitted to trading on the London Stock Exchange's AIM market raising gross proceeds of £3.7 million through a placing at a price of 29.66 pence per new ordinary share. Smarttech247's share price as at 19 June 2023 was 34.5 pence per share, representing an increase of approximately 16% since listing and a significant uplift compared to the level at which the investment was initially made. The recent full year and interim results of Smarttech247 support the company's growth trajectory.

As at the year end, SVV1 had a portfolio of 15 investee companies at different stages of development spanning a range of sectors. The portfolio provides Pires with exposure to a number of key, cutting-edge and rapidly growing technology sectors. Further details of the portfolio companies and recent developments are set out below:

Artificial intelligence	
Ambisense (Ambisense Limited)	Provides an artificial intelligence platform to deliver environmental risk assessment to allow realtime gas and environmental monitoring using both IoT and sensor solutions. The company has already been awarded a number of major contracts and has a substantial pipeline of opportunities.
Buymie (Buymie Technologies)	An artificial intelligence based same day grocery delivery company operating in both the UK and Ireland working with companies such as Tesco, Lidl, Asda and the Co-op.
EveryAngle	An artificial intelligence platform that uses machine learning to provide enterprises, such as large retailers, with line of business solutions to reduce fraud, churn and waste using machine vision.
Security	
Nova Leah (Nova Leah Limited)	An artificial intelligence cyber-security risk assessment and protection platform for connected medical devices. connected medical devices.
Getvisibility (Visibility Blockchain Limited)	An artificial intelligence security company addressing the substantial problem faced by corporations in storing, sorting, accessing and protecting data. Recently raised additional funds at a significant premium and has been voted as one of Ireland's top 18 start-ups.
PreCog (Polience Limited)	An artificial intelligence security solution platform company that provides data intelligence to combat crime, terrorism and protect vulnerable people. Customers include leading law enforcement and security agencies, and transport infrastructure groups.
Smarttech247 (Smarttech247 Group PLC)	An established global artificial intelligence-based cybersecurity business, specialising in automated managed detection and response. The company is listed on AIM.
Immersive Technologies	

Engage XR (Engage XR Holdings plc)	A developer of virtual reality and immersive experiences with a specific focus on education and enterprise learning and development. The company is listed on AIM, has over 100 commercial customers and is rapidly growing revenue and margins.
LandVault (Formerly Admix) (WAM Group Limited)	A platform enabling the monetisation of interactive programmatic brand placements in, for example, video games and other AR/VR applications. The company is rapidly growing revenues and numbers of active users and merged with Landvault in June.
Warducks (Warducks Limited)	An AR/VR game development studio which has produced leading VR games and will soon launch a new AR game, Edge of Earth.
VividQ (VividQ Limited)	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 (Volograms Limited)	An artificial intelligence deep learning company that uses AI to create 3D augmented reality from 2D photos and videos. The company has launched a consumer AR Camera app called Volu and has pro user and enterprise versions in development.in development.
Virtex (Virtex Limited)	A company building a platform for the next-generation of live, immersive entertainment within the virtual reality gaming and esports industries. It is actively developing its new stadium app.
Internet of things	
CameraMatics (MySafe Drive Limited)	An artificial intelligence platform enabling transport fleet managers to reduce risk, increase driver safety and comply with growing industry governance and compliance. The company recently raised £3 million from existing investors to assist with funding growth. The company is expanding into new geographies, with good traction being gained in the US and new clients being won including customers such as Maritime Transport, one of the UK's largest privately owned transport companies.
Wia (WIA Technologies Limited)	Provides a platform solution for smart buildings. Its platform provides full device and application management, security, data capture and storage, analysis and control.

2. Sure Valley Ventures UK Software Technology Fund ("SVV2")

In March 2022, the Company invested in a second SVV fund, the Sure Valley Ventures UK Software Technology Fund. The principal investor in SVV2 is the British Business Bank ("BBB") an investment arm of the UK Government. The first close of this fund amounted to £85 million, with the BBB investing up to £50 million and other investors ("Private Investors"), including Pires, investing up to £35 million over the 10 year life of the fund.

Pires expects to invest up to £5 million in total over the life of the fund which would provide it with a circa 5.9% interest. SVV2 will invest in a range of private UK software companies with a focus on companies in the artificial intelligence sector and within the subsectors of enterprise, Immersive Technologies (such as AR/VR) and cybersecurity sectors.

SVV2 is managed by the same SVV team which, to date, has been highly successful in achieving a number of cash realisations from, and upward revaluations of, companies in the SVV1 portfolio. The profit share arrangements within SVV2 are designed to encourage the involvement of private investors alongside the BBB, meaning that Pires and the other private investors would expect to receive a significantly enhanced share of the total return generated by the fund compared to industry standard.

During 2022, SVV2 has made two investments which are outlined below:

RETiniZE Limited

RETiniZE Limited, the award-winning creative-tech company based in Belfast, Northern Ireland, successfully raised £2 million in a seed round led by SVV. The company is developing an innovative software product called Animotive that is harnessing the latest VR and Generative AI technologies to transform the 3D animation production process. The proceeds of the seed round will drive the next two-year plan for growth and the global rollout of Animotive.

Jaid

Jaid is a rapidly growing platform that uses AI as a Service (AlaaS) solution to help businesses reduce costs, improve efficiency and make data-driven decisions, including client service automation, sales automation, payment exception processing and claims administration processing. On 14 December 2022, the company raised £3 million in seed funding to enable it to make additional hires within the machine learning team, increase its presence within the US and Europe and to launch in the Asian market. In addition, the company is set to expand into various other sectors, such as healthcare, after previously focusing solely on the finance industry.

Whilst further investments for this fund are being reviewed, the funding requirement is expected to be relatively limited in the short-term and will be met from existing cash resources and/or realisations from SVV1.

3. Sure Ventures plc ("SV plc")

SV plc (LSE: SURE) is a London-listed venture capital fund which invests in early-stage software companies in the rapidly growing technology areas of Augmented Reality, Virtual Reality, Internet of Things and artificial intelligence. Pires has a 22.6% shareholding in SV plc whose principal investment is a 25.9% interest in SVV1 and a commitment to SVV2. Pires therefore has an aggregate (direct and indirect) interest in SVV1 of around 19%, which comprises its original direct 13% interest in SVV1 and an indirect interest of 5.9%, through its 22.6% shareholding in SV plc. SV plc also has direct shareholdings in VividQ and Let's Explore Group.

B. Direct investments

Getvisibility

Getvisibility is a cybersecurity company focusing on data visibility and control. It uses state-of-the-art artificial intelligence to classify and secure unstructured information. Its methods allow organisations to quickly visualise their data footprint where new and changing data risks have become evident, thus allowing for proactive data management and security. Its dual approach provides flexibility to employees to manually classify data whilst also being created with suggestions and automated checking. Getvisibility also provides risk and compliance assessments as well as enforcing protection on sensitive data.

In March 2022, Getvisibility raised €10 million in new funds from Alpha Intelligence Capital, a global venture capital firm which invests in deep artificial intelligence/machine learning technology based companies and Fortino Capital Partners, a leading B2B software venture capital and growth equity firm. Based on the post-funding round valuation, Pires' direct stake in Getvisibility is now valued at circa €1,500,000 or over 4 times its total investment cost to date since it made its first investment in March 2020. In addition, Pires has a further interest in Getvisibility via its 13% interest in SVV1 and an indirect interest through its holding in Sure Ventures plc, which together are valued at circa €1,280,000. Pires' effective interest in Getvisibility, in aggregate, is therefore now valued at circa €2,780,000.

The company is growing rapidly, with a significant number of new channel partners being onboarded in the last quarter of 2022, leading to a substantial increase in its number of enterprise customers.

Low6

Low6 is a leader in sports gaming technology that powers franchises with their own branded gaming experiences to engage and monetise their digital fanbases. In October 2022, the company restructured its capital base which included the conversion of the outstanding convertible notes and the raising of £2.4 million in new funds. The new funding was cornerstoned by a leading Australian wagering operator, with operations in Australia and the US, for approximately £0.5 million, with major shareholders also supporting the transaction.

Low6 is now focused on free-to-play and affiliate markets in North America with the ambition to be the global leader in fan engagement. A number of new partnerships have been established, including the appointment as the National Hockey League ("NHL") free to play provider for a period of 3 years, who have also invested in Low6. Trading is in line with expectations for the year to 30 June 2023, having achieved circa US\$5 million in contracted revenue for the first six months, with the company focused on achieving a breakeven EBITDA.

Precog

PreCog is a security solution platform company that provides data intelligence to combat crime, terrorism and protect vulnerable people. Its customers include leading law enforcement and security agencies, and transport infrastructure groups. The company has continued to develop its product offering and, in particular, it has developed an "off the shelf product" which is expected to minimise manufacturing risk. The company operates in an exciting security sector with significant potential demand for its products expected going forward.

Emergent

Pluto Digital was a crypto technology and operations company with a focus on decentralised finance and the metaverse (blockchain gaming and NFTs). In October 2022, Pluto Digital announced a merger with Maze Theory, a London-based digital entertainment studio, to create Emergent Entertainment ("Emergent"). Emergent is focused on becoming a next-generation entertainment company, bringing audiences and storytellers together by harnessing emerging technologies. Since then, the company has launched a VR game, Peaky Blinders, and is making good progress on the development of its Web3 game, Resurgence. In addition to this, the company is actively discussing the co-development of a new game with a global games publishing group and has been in ongoing conversations with numerous leading organisations regarding upcoming projects. The management team is also working on reducing the company's cost base and has revised its 2023 revenue forecasts upwards.

Other

In June 2022, Pires was the subject of a share for share offer from Tern plc, on terms that equated to 8 pence per Pires share, representing a 53.6% premium to the Pires share price prior to announcement, based on the respective companies share prices just prior to announcement. Whilst this offer was accepted by the majority of the Pires shareholders, the requisite percentage to effect a scheme of arrangement was not achieved and so the offer lapsed.

Financial

For the year under review, the Company reported a loss before taxation of £0.37 million (for the year ended 31 December 2021: profit of £1,491,000). The profit or loss for the Company includes unrealised gains/losses in the portfolio of quoted equity investments which are marked to market, plus any return from and adjustment to the carrying value of its unlisted investments.

Net asset value as at the end of the year amounted to £7,822,000 (31 December 2021: £7,223,000). We continue to believe that absolute NAV does not fairly represent 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 are regularly being achieved to date from the investment portfolio. Furthermore, it is worth reiterating that realisations achieved within the SVV portfolio result in cash distributions to the Company and are not retained within the fund.

Administration costs for the period were significantly higher than the previous period as they include the costs associated with the offer by Tern plc for Pires that did not ultimately proceed.

Since 1 January 2022, the holders of 12,211,433 warrants over ordinary shares in the Company have exercised their warrants at 4 pence per share for a total consideration of £488,000. Unexercised warrants currently comprise 6,250,000 in relation to the August 2022 placing and 47,839,284 in relation to the loan facility put in place in December 2022. These outstanding warrants expire in August 2023 and December 2025 respectively.

On 1 August 2022, the Company placed shares at a price of 4 pence per share, raising gross proceeds of £500,000, The shares were placed at a 4 per cent. premium to the closing mid-price of the ordinary shares on 29 July 2022. Placees also received one warrant for every two ordinary shares subscribed for, exercisable at 8 pence from the date of admission and expiring on the one-year anniversary of the date of Admission. In aggregate, 6,250,000 placing warrants were issued.

On 22 December 2022, the Company entered into a two-year £1.235 million unsecured loan facility accruing interest at 7.5% per annum with a bullet repayment of principal and interest at the end of the term. Warrants over 47,839,284 new ordinary shares were issued to the investors which will vest if the average of the Company's volume-weighted average price over five consecutive trading days exceeds 5.163 pence within the three-year exercise period of the warrants. The warrant exercise price is 4 pence, which represented a 60% premium to the closing mid-market price of 2.5 pence per Pires ordinary share on 21 December 2022.

Post year end

On 23 February 2023, Pires announced that it had agreed to invest in SVV's new venture capital fund, Sure Valley Ventures III Limited Partnership("SVV3"), alongside Enterprise Ireland, the fund's cornerstone investor that committed 50% or €15 million to the fund. SVV3 plans to invest in circa 15 high-growth AI software companies in sectors such as Enterprise, Immersive Technologies and Cybersecurity across the Republic of Ireland.

Whilst new investments for this fund are being reviewed, the funding requirement is expected to be relatively limited in the short-term and will be met from existing cash resources and/or realisations from SVV1.

Outlook

Whilst 2022 has been a difficult year, the Company believes that it has managed to safely navigate its way through the period relatively unscathed. It has also achieved some excellent results such as the valuation uplifts from Getvisibility and Smarttech247.

Our investment strategy is focused on next generation technology businesses with an emphasis on AI focused businesses. We remain encouraged by the progress made to date by our investments and the outlook for the respective sectors in which they operate.

We expect that in the coming months we will see some additional realisations or liquidity events from the investment portfolio. Furthermore, it is important to note that, as previously mentioned, SVV1 has now completed its deployment phase and has moved to its realisation phase which is expected to generate further cash inflows for the Company.

In summary, we believe that our investment strategy in the technology sector has already proven to have been successful. Going forward, the Company is well positioned as a leading next generation technology investment company with an exciting portfolio of technology companies that have the potential for significant growth and the delivery of real returns for shareholders.

Nicholas Lee

Director

27 June 2023

STATEMENT OF COMPREHENSIVE INCOME

	Year Ended 31 December 2022 £000's	Year ended 31 December 2021 £000's
CONTINUING ACTIVITIES		
Income		
Other Income	-	-
Total income	-	-
Gain on investments held at fair value through profit or loss	420	2,081
Operating expenses	(786)	(590)
Operating (loss) / profit from continuing activities	(366)	1,491
Loss / profit before taxation from continuing activities	(366)	1,491
Taxation	-	-
Loss / profit for the year from continuing activities	(366)	1,491
Other Comprehensive Income	-	-
Total Comprehensive Income attributable to equity holders of the Company	(366)	1,491
Basic (loss) / profit per share		
Equity holders		
Basic	(0.20p)	1.00p
Fully diluted	(0.20p)	0.8p

STATEMENT OF CHANGES IN EQUITY

	Share Capital £000's	Share Premium £000's	Capital Redemption Reserve £000's	Retained Earnings £000's	Total £000's
Balance at 1 January 2021	12,135	5,158	165	(14,533)	2,926
Profit and total comprehensive profit for the period	-	-	-	1,491	1,491
Issue of shares (net of costs)	90	2,716	-	-	2,806
Cancellation of deferred shares	(11,830)	-	11,830	-	-
As at 31 December 2021	396	7,874	11,995	(13,042)	7,223
Loss and total comprehensive loss for the period	-	-	-	(366)	(366)
Issue of shares (net of costs)	61	904	-	-	965
As at 31 December 2022	457	8,778	11,995	(13,408)	7,822

STATEMENT OF FINANCIAL POSITION

	31 December 2022 £000's	31 December 2021 £000's
Current assets		
Investments	8,129	7,016
Trade and other receivables	373	8
Cash and cash equivalents	847	374
Total current assets	9,349	7,398
Total assets	9,349	7,398
Equity		
Issued share capital	457	396
Share premium	8,778	7,874
Retained earnings	(13,408)	(13,042)
Capital redemption reserve	11,995	11,995
Total equity	7,822	7,223
Non-current Liabilities		
Term Loan	1,235	-
--Current liabilities		
Trade and other payables	292	175

Total liabilities	1,527	175
Total equity and liabilities	9,349	7,398

EARNINGS PER SHARE

	2022	2021
	£000's	£000's
Profit attributable to the owners of the Company		
Continuing Operations	(366)	1,491

	2022	2021
	No. of	No. of
	Shares	shares
Weighted average number of shares for calculating basic (loss)/profit per share	171,274,697	149,021,386
Weighted average number of shares for calculating the fully diluted (loss)/profit per share	171,274,697	177,639,789
	2022	2021
	Pence	Pence
Basic and diluted profit per share		
Continuing Operations - basic	(0.20)	1.00
Continuing Operations - diluted	(0.20)	0.80

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 the UK Market Abuse Regulation and the Directors of the Company are responsible for the release of this announcement.

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Notes to Editors

About Pires Investments plc

Pires Investments plc (AIM: PIRI) is an investment company providing investors with access to a portfolio of next-generation technology businesses with significant growth potential.

The Company is building an investment portfolio of high-tech businesses across areas such as Artificial Intelligence ("AI"), Internet of Things ("IoT"), Cyber Security, Machine Learning, Immersive Technologies and Big Data, which the Board believes demonstrate evidence of traction and the potential for exponential growth, due to increasing global demand for development in these sectors.

For further information, visit: <https://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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