

9 September 2020

**Aquis Exchange PLC**  
("Aquis", the "Company" or the "Group")

**Interim results for the six months ended 30 June 2020**

*Continued strong growth and first period of profit*

Aquis Exchange PLC (AQX.L), the exchange services group, is pleased to announce its unaudited results for the six months ended 30 June 2020.

**Highlights:**

- Revenue increased 42% to £4.9 million (1H19: £3.4 million)
- EBITDA of £0.54 million (1H19: £0.18 million loss)
- Profitability reached for the first time with a profit after tax of £16,000 (1H19: £623,000 loss)
- Cash and cash equivalents at 30 June 2020 of £11.2 million (30 June 2019: £11.2 million)
- Market share of all pan-European trading rose to 4.51% (1H19: 3.56%), despite the increased volatility driving significant additional proprietary trading
- The share of available liquidity increased further to 21% (1H19: 19%)
- Following approval from the FCA, the acquisition of Aquis Stock Exchange (AQSE) was completed on 11 March 2020 (formerly NEX Exchange)
  - Integration into the Group progressing well
  - Cost savings derived from synergies ahead of management expectations so far
  - Three new companies quoted on AQSE since acquisition, one of which was post-period end

**Post-period highlights:**

- Current trading in line with market expectations for the full year, although we recognise the volatility of licensing contracts and their timing in this climate and their potential effect on revenues
- Plans to enhance Aquis Stock Exchange announced:
  - Segmenting the market
  - Gaining greater institutional and asset manager support
  - Prohibiting short selling
  - Enhancing trading mechanisms

**Alasdair Haynes, Chief Executive Officer of Aquis, commented:**

*"We are pleased to announce our first period of profitability, reached through further strong revenue growth. This growth has been driven by our existing Members continuing to increase their trading volumes through our pan-European lit equities market.*

*The completion of the acquisition of Aquis Stock Exchange in March was a milestone for the Group and marked a significant step towards achieving our ambition to become the leading exchange services group in Europe. We have now entered the primary listings market, with exciting plans in motion to further build AQSE into the first choice for quality growth businesses.*

*Despite the impact of Covid-19 on the global economy and business confidence, Aquis has maintained a robust competitive position in the marketplace and has successfully operated almost entirely remotely since March, highlighting the flexibility and resilience of the business.*

*While we anticipate the prevailing economic uncertainty will continue to impact market participants in the short to medium term, we have proven we have the right model, team, technology and vision to deliver shareholder value and look to the future with confidence."*

The Company is hosting a webinar for retail investors at 11.30am on Friday 11 September 2020. If you would like to attend this presentation, please register using the following link: [http://bit.ly/AQX\\_H1202\\_piworldwebinar](http://bit.ly/AQX_H1202_piworldwebinar)

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

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**Notes to editors:**

Aquis Exchange PLC is an exchange services group, which operates a pan-European cash equities trading business (Aquis Exchange) and develops and licenses exchange software to third parties (Aquis Technologies).

Aquis Exchange PLC (AQX.L) is quoted on the London Stock Exchange's Alternative Investment Market (AIM).

Aquis Exchange is authorised and regulated by the UK Financial Conduct Authority and France's Autorité des Marchés Financiers to operate Multilateral Trading Facility businesses in the UK and in EU27 respectively.

Aquis operates a lit order book and does not permit aggressive non-client proprietary trading, which has resulted in lower toxicity and signalling risk on Aquis than other trading venues in Europe. According to independent studies, trades on Aquis are less likely to lead to price movement than on other lit markets. Aquis applies a subscription pricing model which works by charging users according to the message traffic they generate, rather than a percentage of the value of each security that they execute. This model can significantly reduce the cost of trading.

Aquis Technologies is the software and technology division of Aquis Exchange PLC. It creates and licenses cutting-edge, cost-effective matching engine and trade surveillance technology for banks, brokers, investment firms and exchanges.

Aquis Stock Exchange (AQSE) is a UK-based stock market providing primary and secondary markets for equity and debt products. It is permissioned as a Recognised Investment Exchange, which allows it to operate a regulated listings venue.

For more information, please go to [www.aquis.eu](http://www.aquis.eu) and [www.aquis.technology](http://www.aquis.technology)

## **Chief Executive Officer's Report**

The six months to 30 June 2020 have been another strong period of growth and we are very pleased to have recorded our first period of profit. Alongside this we have maintained our competitive position in the market and made good operational progress to help drive us forward towards our long-term goals. The fact that we have achieved all this amidst the challenging economic circumstances arising from the global Covid-19 pandemic demonstrates our strong operational resilience and the continued demand for our unique offering.

A highlight of the Group's growth journey so far was the announcement of the completion of the acquisition of Aquis Stock Exchange in March 2020 and we have been rapidly developing the market since. The acquisition has further strengthened our position by allowing us to access new opportunities in the primary listings market and we are excited to build it into a true home for quality growth businesses, aligning it with Aquis' overall strategy and vision. Our planned enhancements for the market, following a consultation process, have now been formulated and are laid out in further detail below. So far we have been very pleased with the progress made, with cost savings derived from synergies between our business activities ahead of management expectations and with the transfer of the business onto the core Aquis technology platform scheduled for mid-September.

### **Covid-19 Update**

As previously communicated, the Group had well-established remote working policies and disaster recovery plans, which were put into practice in March as a result of Covid-19. The market has been successfully operating almost entirely remotely since. Thanks to our focus on technology and in line with being a relatively small and agile operation, we have continued to serve our clients effectively whilst also pushing ahead with key strategic initiatives. Whilst the uncertainty and market turmoil has inevitably impacted decision making processes in the industry, we are pleased to have made significant progress with our KPIs (see below) and delivered our first period of profitable trading.

During the early weeks of the pandemic we saw greatly increased market volumes, which had a positive short-term impact. Since then trading levels have been closer to historic averages.

It is difficult to predict the medium to long term impact on the financial industry and more particularly equity market trading volumes, however, our business model continues to show its strength and we are confident we have the right strategy in place to continue delivering significant growth over the long term.

### **Operational Review**

Aquis continued to develop its three complementary business activities throughout the period: its pan-European lit equities market; a multi-asset class technology licensing service to an international client base, a market data offering and, as of March, a fourth activity with our primary listings market for small and mid-cap companies. All activities have contributed to the significant growth experienced in the period and this is set to continue as synergies are developed and business potential is harnessed.

We continue to invest in key personnel in all areas, who will be instrumental in the business development process. The strength, experience and commitment of our staff, who have also demonstrated a commendable ability to adapt to the strange and unforeseen circumstances in the current environment, continue to be a significant contributor to our success.

We were also delighted to announce, post period, that the University of Derby has secured funding for a new knowledge transfer partnership with Aquis, in which we will collaborate on a research and development project based around machine learning, artificial intelligence and market surveillance. We firmly believe that this is where the future of surveillance lies and our philosophy at Aquis is to be always

at the cutting edge of innovation.

A summary of progress in each of our business activities is outlined below.

### **Aquis Exchange**

*Continued strong growth in the core business*

The key performance indicators of the Aquis Exchange business grew during the period. Exchange revenue increased by £1.0m (37%) from £2.7 million to £3.7 million and the number of Members grew from 30 to 31. In addition, a number of Members increased their trading volumes resulting in increased monthly subscriptions. This occurred against the backdrop of increased turbulence and uncertainty in financial markets as a result of Covid-19, which saw an increase in volatility and overall trading levels amid growing unease regarding the global economic outlook. Aquis Exchange's market share of all pan-European trading was at 4.51% (1H19: 3.56%), despite the increased volatility which drove significant additional proprietary trading and subsequently impacted auction performance.

The Company currently has an offering in excess of 1,500 stocks and ETFs across 14 European markets, an increase year on year.

Available liquidity on the exchange further increased to 21% in 1H20 (19% in 1H19) and it is expected this will underpin future anticipated growth.

The Group's Market at Close product ("MaC") has continued to attract interest since its launch in August 2019. It reached 3.52% of total pan-European auction volumes in December last year and, on average, achieved 3.61% in the first half of 2020 despite the challenging circumstances. Since the period end, MaC volumes have strengthened further.

The recognition that Aquis Exchange's toxicity is materially lower than its competitors continues to grow amongst investment managers and the wider market. With several market drivers pushing market participants towards lower toxicity, the opportunity for Aquis Exchange to attract a wider membership from across Europe and to facilitate increased trading volumes remains significant.

### **Aquis Stock Exchange**

*Building the home for quality growth businesses*

AQSE is a modern market for modern business, bringing positive disruption and competition to the listed SME sector. It champions entrepreneurship, investment and growth. Innovation drives its thinking, regulation underpins its products and service culture guides its behaviour. It uses superior technology to deliver better results for all participants.

As one of the only two existing options for growing SMEs looking to IPO in the UK, Aquis' vision is for AQSE to become the home for quality growth businesses, applying core Aquis values such as transparency and innovation.

AQSE has committed to enhancing the market through the following four key actions:

1. Segmenting the market
  - providing appropriate support throughout the growth cycle
2. Gaining greater institutional and asset manager support
3. Prohibiting short selling
  - protecting issuers and investors
4. Enhancing trading mechanisms
  - supporting greater liquidity

These enhancements have been developed following our recent market consultation process, which saw a broad range of stakeholders taking part including issuers, investors, corporate advisers, lawyers, accountants, brokers, market makers institutions and industry think tanks.

A video providing further detail is available to view on the Company's website here: <https://bit.ly/2QPC578>. A further consultation on rule book changes took place across July and August, with the new policies anticipated to go live in Autumn this year.

Since acquisition, AQSE has been undergoing migration onto the Aquis trading platform and surveillance systems, with harmonisation in systems and processes being the first step in aligning the business with Aquis' strategic objectives.

Three listings have been completed since acquisition, in the beverages, industrial engineering and health care equipment & services sectors. All were well supported and there is an encouraging pipeline of businesses in conversation with AQSE regarding IPO.

As previously communicated, the Group remains committed to significantly reducing the loss generated by AQSE in the near term and good progress has been made in achieving the anticipated cost synergies, ahead of Management's original expectations.

### **Aquis Technologies**

*Revenue increased despite challenging market conditions*

Aquis licenses its leading exchange-related technology through its Aquis Technologies division. Aquis Technologies creates and licenses technology for high volume, low latency trading platforms, complex connectivity solutions and real-time trade monitoring and surveillance systems for banks, brokers, investment firms and exchanges.

Despite the challenging market for new sales created by the Covid-19 pandemic, Aquis Technologies' revenue grew to £0.79m (1H19: £0.70m), driven by new licencing and support contracts, alongside revenue from the delivery of a number of implementations across a variety of asset classes, mandated in previous periods. Clients and prospects' decision processes have been delayed due to the Covid-19 pandemic but in the medium term this should improve as conditions begin to normalise.

Aquis will be focused on furthering the growth of the Technologies division, developing its products and services to help its clients with the challenges they face and ensuring the high-performance systems continue to be enhanced.

### **Aquis Market Data**

Revenue from market data vendors more than doubled from £0.15m to £0.37m for the 6-month period compared to the 2019 equivalent. The consolidation of AQSE has helped to boost data revenues and the number of data vendors on the Aquis Exchange.

### **Financial Review**

Revenue increased 42% to £4.9m (1H19: £3.4m) and the EBITDA profit for the half year was £0.54m, which compares to an EBITDA loss of £0.18m in 1H19. This EBITDA profit and the profit after tax of £16,000 includes income recognised from an £183,000 impairment credit per IFRS 9. The EBITDA profit growth is mainly attributable to increased exchange revenue as Members' subscriptions have risen as a result of increased trading levels. The Group made some controlled increases in costs during 1H 2020 as it continues to invest in personnel and technological resources and the Group will continue

to invest on a controlled basis going forward.

The Company's cash and cash equivalents as at 30 June 2020 were £11.2 million (30 June 2019: £11.2 million), demonstrating its continued focus on careful cash management.

## **Summary**

Our strategic goal is to become one of the leading exchange services groups through delivering best-in-class exchange trading opportunities, underpinned by our commitment to first class client service. To this end, our investment in R&D will help improve the trading experience for clients, as well as improving our market position and providing further growth and value creation for shareholders. Having made a significant amount of investment in the first half, we will see the full impact flow through into the full year.

Alongside this we are working to enhance our software licensing activities and build presence internationally.

AQSE has been successfully integrated into the business and we are in the process of building it into a quality home for growth companies. This will include a business development process focussing in particular on listing opportunities and synergies with Aquis Exchange activities, supported by an investment in key personnel.

Looking forward, our focus continues to be on executing on our core growth strategy; increasing trading volumes and improving fundraising prospects for small and mid-cap companies. Although uncertainty understandably continues to weigh on decision making we have already proven ourselves to be able to adapt to adversity and proactively seek out new opportunities.

Notwithstanding the macroeconomic uncertainty, current trading is in line with market expectations for the full year. I am confident that with our philosophy of fairness, transparency and simplicity, we have a winning formula. We have a strong team, experienced management and a cutting-edge technology platform. We are well placed to continue on our successful journey.

**Alasdair Haynes**  
**Chief Executive Officer**

**Condensed consolidated statement of comprehensive income for the six-month period ended 30 June 2020**

		6 months ended 30/06/2020	Year ended 31/12/2019	6 months ended 30/06/2019
	Note	£'000	£'000	£'000
<b>Income Statement</b>				
Revenue	3	4,851	6,892	3,419
Impairment credit	4	183	243	120
Administrative expenses		(4,497)	(7,334)	(3,722)
<b>Operating profit/(loss)</b>		537	(199)	(183)
Investment income	5	14	42	21
Depreciation and amortisation	7,8	(522)	(928)	(439)
Net finance costs	16	(17)	(41)	(20)
<b>Net profit (loss) before taxation</b>		12	(1,126)	(621)
Income tax credit/(expense)		-	265	-
<b>Profit/(loss) for the period</b>		12	(861)	(621)
<b>Other comprehensive income</b>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign exchange differences on translation of foreign operations, net of tax	15	4	1	(2)
Other comprehensive profit / (loss) for the period		4	1	(2)
<b>Total comprehensive profit / (loss) for the period</b>		16	(860)	(623)
<b>Earnings per share (pence)</b>				
<b>Basic</b>				
Ordinary shares		0	(3)	(2)
<b>Diluted</b>				
Ordinary shares		0	(3)	(2)

The consolidated statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

**Condensed consolidated statement of financial position as at 30 June 2020**

	Note	6 months ended 30/06/2020 £'000	Year ended 31/12/2019 £'000	6 months ended 31/12/2019 £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets	7	815	753	695
Property, plant and equipment	8	1,612	2,014	1,900
Trade and other receivables	9	947	967	862
		<b>3,374</b>	<b>3,734</b>	<b>3,457</b>
<b>Current assets</b>				
Trade and other receivables	9	2,742	1,654	2,152
Cash and cash equivalents		11,182	11,011	11,212
		<b>13,924</b>	<b>12,665</b>	<b>13,364</b>
<b>Total assets</b>		<b>17,298</b>	<b>16,399</b>	<b>16,821</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	10	2,329	1,500	1,650
<b>Non-current liabilities</b>				
Lease liabilities	16	1,092	1,190	1,283
<b>Total liabilities</b>		<b>3,421</b>	<b>2,689</b>	<b>2,933</b>
<b>Net assets</b>		<b>13,877</b>	<b>13,710</b>	<b>13,888</b>
<b>Equity</b>				
Called up share capital	11	2,717	2,715	2,715
Share premium account	12	10,892	10,840	10,840
Other reserves	13	311	213	153
Retained earnings/accumulated losses	14	(47)	(59)	182
Foreign currency translation reserve	15	4	1	(2)
<b>Total equity</b>		<b>13,877</b>	<b>13,710</b>	<b>13,888</b>

The notes to the financial statements on pages 7 to 16 form an integral part of these financial statements. The interim financial statements were approved by the board of directors and authorised for issue on **8<sup>th</sup> September 2020** and are signed on its behalf by:

J Clelland  
Director

A Haynes  
Director

**Company Registration No. 07909192**

**Condensed consolidated statement of changes in equity for the period ended 30 June 2020**

	Note	Share Capital	Share Premium	Other Reserves	Retained Earnings	Foreign Currency Translation Reserve	Total
		£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 January 2019</b>		2,715	10,840	92	803	-	<b>14,450</b>
Loss for the 6-month period ended 30/06/2019		-	-	-	(621)	-	(621)
Foreign exchange differences on translation of foreign operations		-	-	-	-	(2)	(2)
Movement in share option reserve		-	-	61	-	-	61
<b>Balance at 30 June 2019</b>		2,715	10,840	153	182	(2)	<b>13,888</b>
Loss for the 6-month period ended 31/12/2019					(241)		(241)
Foreign exchange differences on translation of foreign operations						3	3
Movement in share option reserve				60			60
<b>Balance at 31 December 2019</b>		2,715	10,840	213	(59)	1	<b>13,710</b>
Profit for the 6-month period ended 30/06/2020					12		12
Foreign exchange differences on translation of foreign operations	<b>15</b>					3	3
Movement in share option reserve	<b>13</b>			98			98
Issue of new shares	<b>11,12</b>	2	52				54
<b>Balance at 30 June 2020</b>		<u>2,717</u>	<u>10,892</u>	<u>311</u>	<u>(47)</u>	<u>4</u>	<b><u>13,877</u></b>

**Condensed consolidated statement of cash flows for the period ended 30 June 2020**

	Note	6 months ended 30/06/2020 £'000	Year ended 31/12/2019 £'000	6 months ended 30/06/2019 £'000
<b>Cash flows from operating activities</b>				
Cash generated/absorbed by operations	17	568	386	62
Tax refunded		-	265	-
Finance expense on lease liabilities	16	(17)	(48)	(24)
<b>Net cash inflow from operating activities</b>		<b>552</b>	<b>603</b>	<b>38</b>
<b>Investing Activities</b>				
Recognition of intangible assets	7	(311)	(562)	(281)
Purchase of property, plant and equipment	8	(44)	(509)	(181)
Interest received	5	14	42	21
<b>Net cash used in / generated by investing activities</b>		<b>(341)</b>	<b>(1,029)</b>	<b>(441)</b>
<b>Financing Activities</b>				
Proceeds from share issue	11,12	54		
Principal portion of lease liability	16	(98)	(183)	-
<b>Net cash (used in)/ generated by financing activities</b>		<b>(44)</b>	<b>(183)</b>	
<b>Net increase/(decrease) in cash and cash equivalents</b>		167	(609)	(403)
Cash and cash equivalents at the beginning of the period		11,011	11,619	11,610
Effect of exchange rate changes on cash and cash equivalents		4	1	2
<b>Cash and cash equivalents at the end of the period</b>		<b>11,182</b>	<b>11,011</b>	<b>11,209</b>

## Notes to the financial statements

### 1. Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year reporting period beginning 1 January 2020 and ending 30 June 2020 (“interim period”) has been prepared in accordance with Accounting Standard IAS 34 Interim Financial Reporting.

The interim report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2019 and any public announcements made by Aquis Exchange PLC (“Aquis” or the “Company”) during the interim reporting period.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

### 2. Significant changes in the current reporting period

The financial position and performance of the group was particularly affected by the following events and transactions during the six months to 30 June 2020:

- The consolidation of newly acquired subsidiary, Aquis Stock Exchange (AQSE); and
- An increase in revenue as a result of an increase in exchange members and trading volumes.

During the interim period, the acquisition of NEX Exchange Limited was approved by the FCA and was completed on 11<sup>th</sup> March 2020. The company was renamed Aquis Stock Exchange (AQSE) and has been included in the Consolidated Financial Statements for the Aquis Exchange PLC Group (“Group”) for the period since acquisition.

The coronavirus pandemic has had an unprecedented impact on markets around the world in the first half of 2020. The principal impact of the pandemic on the Group has been through increased market volatility and a slower than expected pace of onboarding new clients.

However, despite challenging market conditions during the six months ended 30 June 2020, Aquis generated a profit of £12k, largely the result of growing Exchange revenues.

### 3. Revenue

An analysis of the Group’s revenue is as follows:

	<b>6 months ended 30/06/2020</b>	<b>Year ended 31/12/2019</b>	<b>Restated 6 months ended 30/06/2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Exchange Fees	3,682	5,285	2,675
Licence Fees	607	1269	590
Issuer Fees	189	-	-
Data Vendor Fees	373	338	154
	<b><u>4,851</u></b>	<b><u>6,892</u></b>	<b><u>3,419</u></b>

#### 4. Expected credit loss

The expected credit loss on licensing contract assets has been calculated in accordance with IFRS 9:

	<b>£'000</b>
As at 31/12/2018	696
Expected credit loss reversal for the period	(120)
As at 30/06/2019	576
Expected credit loss reversal for the period	(123)
As at 31/12/2019	453
Expected credit loss reversal for the period	(183)
As at 30/06/2020	<b>270</b>

#### 5. Investment income

	<b>6 months ended 30/06/2020</b>	<b>Year ended 31/12/2019</b>	<b>6 months ended 30/06/2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Interest income	<u>14</u>	<u>42</u>	<u>21</u>
Bank deposits	<u>14</u>	<u>42</u>	<u>21</u>

#### 6. Earnings per share

	<b>6 months ended 30/06/2020</b>	<b>Year ended 31/12/2019</b>	<b>6 months ended 30/06/2019</b>
<b>Number of Shares ('000)</b>			
Weighted average number of ordinary shares for basic earnings per share	27,158	27,150	27,150
Weighted average number of ordinary shares for diluted earnings per share	28,043	27,714	27,710
<b>Earnings (£'000)</b>			
Profit for the period from continued operations	12	(862)	(623)
<b>Basic and diluted earnings per share (pence)</b>			
Basic earnings per ordinary share	0	(3)	(2)
Diluted earnings per ordinary share	0	(3)	(2)

7. Intangible assets

	£'000
<b>Cost</b>	
As at 31/12/2018	1,493
Additions- internally generated	281
As at 30/06/2019	1,774
Additions- internally generated	281
As at 31/12/2019	2,055
Additions- internally generated	311
As at 30/06/2020	<b>2,366</b>
<b>Accumulated amortisation and impairment</b>	
As at 31/12/2018	855
Charge for the period	224
As at 30/06/2019	1,079
Charge for the period	223
As at 31/12/2019	1,302
Charge for the period	249
As at 30/06/2020	<b>1,551</b>
<b>Carrying amount</b>	
As at 31/12/2018	638
As at 30/06/2019	695
As at 31/12/2019	753
As at 30/06/2020	<b>815</b>

8. Property, plant and equipment

	Fixtures, fittings and equipment	Computer Equipment	Non- current portion of IFRS 16 leased assets	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
As at 31/12/2018	246	1,592	-	1,838
Additions & disposals	-	302	-	302
As at 30/06/2019	246	1,894	1,271	3,411
Additions & disposals	3	203	-	207
As at 31/12/2019	249	2,097	1,271	3,617
Additions & disposals	-	44	-	44
As at 30/06/2020	<b>249</b>	<b>2,141</b>	<b>1,271</b>	<b>3,661</b>

**Accumulated depreciation and impairment**

As at 31/12/2018	78	1,219	-	1,297
Charge for the period	24	103	87	214
As at 30/06/2019	102	1,322	87	1,511
Charge for the period	25	154	86	267
As at 31/12/2019	127	1,476	173	1,778
Charge for the period	25	161	87	273
As at 30/06/2020	<b>152</b>	<b>1,637</b>	<b>260</b>	<b>2,049</b>

**Carrying amount**

As at 31/12/2018	169	373	-	542
As at 30/06/2019	144	572	1,184	1,900
As at 31/12/2019	122	621	1,098	1,841
As at 30/06/2020	<b>97</b>	<b>504</b>	<b>1,011</b>	<b>1,612</b>

9. Trade and other receivables

	<b>Current</b>		
	<b>As at 30/06/2020</b>	<b>As at 31/12/2019</b>	<b>As at 30/06/2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade receivables net of impairment	2,204	1,481	1,712
Prepayments	340	166	254
Other receivables	198	7	186
	<b>2,742</b>	<b>1,654</b>	<b>2,152</b>
	<b>Non-Current</b>		
	<b>As at 30/06/2020</b>	<b>As at 31/12/2019</b>	<b>As at 30/06/2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade receivables net of impairment	729	752	650
Other receivables	218	215	212
	<b>947</b>	<b>967</b>	<b>862</b>

Trade receivables are stated net of any credit impairment provision as set out previously in Note 3 in accordance with IFRS 9, as illustrated below:

	As at 30/06/2020	As at 31/12/2019	As at 30/06/2019  (restated)
	£'000	£'000	£'000
Gross trade receivables	3,283	2,686	2,938
Expected credit loss	(350)	(453)	(576)
Trade receivables net of impairment	<u>2,933</u>	<u>2,233</u>	<u>2,362</u>

Impairment includes the expected credit loss on licencing contract assets stated in Note 4.

10. Trade and other payables

	As at 30/06/2020	As at 31/12/2019	As at 30/06/2019
Trade payables	90	130	271
Accruals	968	1,053	954
Social security and other taxation	370	174	107
Deferred revenue	709	-	-
Other payables	192	142	318
	<u>2,329</u>	<u>1,499</u>	<u>1,650</u>

11. Called up share capital

	As at 30/06/2020	As at 31/12/2019	As at 30/06/2019
	£'000	£'000	£'000
<b>Ordinary share capital</b>			
<i>Issued and fully paid</i>			
27,149,559 Ordinary shares of 10p each	2,715	2,715	2,715
Issue of new shares following exercise of 20,137 EMI share options	2		
At 30/06/2020	<u>2,717</u>	<u>2,715</u>	<u>2,715</u>

12. Share premium account

	As at 30/06/2020	As at 31/12/2019	As at 30/06/2019
	£'000	£'000	£'000
<b>Share premium</b>			
At beginning of year	10,840	10,840	10,840
Issue of new shares following exercise of 20,137 EMI share options	52	-	-
At 30/06/2020	<u>10,892</u>	<u>10,840</u>	<u>10,840</u>

13. Other Reserves

	As at 30/06/2020	As at 31/12/2019	As at 30/06/2019
	£'000	£'000	£'000
Movement in reserves	98	60	61
Reserves relating to share-based payments	<u>311</u>	<u>213</u>	<u>153</u>

The reserves relating to share-based payments reflects the estimated value of the approved Employee Share Option Scheme and Restricted Share Awards Scheme estimated using a US binomial option valuation model.

14. Retained earnings

	£'000
As at 31/12/2018	<u>923</u>
Adjustment arising due to IFRS 16	(120)
Adjusted opening balance as at 31/12/2018	<u>803</u>
Loss for the 6-month period ended 30/06/2019	(621)
As at 31/06/2019	<u>182</u>
Loss for the 6-month period ended 30/12/2019	(241)
As at 31/12/2019	<u>(59)</u>
Profit for the 6-month period ended 30/06/2020	12
As at 30/06/2020	<u>(47)</u>

15. Foreign currency translation reserve

Aquis Exchange PLC is regulated in the UK by the FCA but with increasing uncertainty over the outcome of Brexit the Company decided to establish a European subsidiary and in March 2019 successfully applied for regulatory approval to operate a Multilateral Trading Facility (MTF) in France through this subsidiary. The translation of the European subsidiary into the functional currency of the Group results in foreign exchange differences that have been recognised in Other

Comprehensive Income ('OCI') for the Group which have been accumulated in a separate component of equity as illustrated below.

	6 months ended 30/06/2020	Year ended 31/12/2019	6 months ended 30/06/2019
	£'000	£'000	£'000
At the beginning of the year/period	-	-	-
Foreign exchange differences on translation of foreign operations recognised in OCI	4	1	(2)
At the end of the year/period	<u>4</u>	<u>1</u>	<u>(2)</u>

#### 16. IFRS 16 Leases

The impact on the Group's assets and liabilities, and the related effects on profit and loss, of the Group's leasing activities (the Group as a lessee) are detailed below.

#### **Right of Use Asset**

	Property £
Carrying amount at 1 January 2019	1,444
Depreciation for the period	(87)
Carrying amount at 30 June 2019	1,358
Depreciation for the period	(87)
Carrying amount at 31 December 2019	1,271
Depreciation for the period	(87)
Carrying amount at 30 June 2020	<u>1,184</u>
Of which are:	
Current	173
Non-current	<u>1,011</u>
	<u>1,184</u>

**Rent deposit asset**

	<b>Rent deposit asset</b>
	<b>£</b>
Carrying amount at 1 January 2019	215
Finance income on rent deposit asset for the period	3
Carrying amount at 30 June 2019	218
Finance income on rent deposit asset for the period	4
Carrying amount at 31 December 2019	222
Finance income on rent deposit asset for the period	3
Carrying amount at 30 June 2020	225
Of which are:	
Current	7
Non-current	218
	225

**Lease liability**

	<b>Lease liability</b>
	<b>£</b>
Carrying amount at 1 January 2019	1,561
Finance expense on lease liability for the period	24
Lease payments made during the period	(115)
Carrying amount at 30 June 2019	1,470
Finance expense on lease liability for the period	24
Lease payments made during the period	(116)
Carrying amount at 31 December 2019	1,378
Finance expense on lease liability for the period	21
Lease payments made during the period	(115)
Carrying amount at 30 June 2020	1,284
Of which are:	
Current	192
Non-current	1,092
	1,284

**Net finance expense on leases**

	<b>6 months ended 30/06/2020</b>	<b>Year ended 31/12/2019</b>	<b>6 months ended 30/06/2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Finance expense on lease liability	21	48	24
Finance income on rent deposit asset	(4)	(7)	(3)
Net finance expense relating to leases	17	41	21

The finance income and finance expense arising from the Group's leasing activities as a lessee have been shown net where applicable as is permitted by IAS 32 where criteria for offsetting have been met.

**Amounts recognised in profit and loss**

	6 months ended 30/06/2020	Year ended 31/12/2019	6 months ended 30/06/2019
	£	£	£
Depreciation expense on right-of-use assets	(87)	(173)	(87)
Finance expense on lease liability	(21)	(48)	(24)
Finance income on rent deposit asset	3	7	3
<b>Net impact of leases on profit or loss</b>	<b>(105)</b>	<b>(214)</b>	<b>(108)</b>

The total cash outflow for leases amounted to £115k in the 6 months to 30<sup>th</sup> June 2020.

17. Cash generated from operations

	6 months ended 30/06/2020	Year ended 31/12/2019	Restated 6 months ended 30/06/2019
	£'000	£'000	£'000
Profit / (loss) after tax	12	(862)	(621)
<b>Adjustments for:</b>			
Taxation	-	(265)	-
Investment revenue	(14)	(42)	(21)
Amortisation and impairment of intangible assets	249	447	223
Depreciation and impairment of property, plant and equipment	273	482	215
Equity settled share-based payment expense	98	120	61
Other losses	(29)	(24)	
Losses on transition of accounting standards	-	(120)	(224)
<b>Movement in working capital:</b>			
Increase in trade and other receivables	(850)	43	(329)
Increase in trade and other payables	829	607	758
<b>Cash generated by operations</b>	<b>568</b>	<b>386</b>	<b>62</b>