

23 September 2021

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

Interim results for the six months ended 30 June 2021
Continued strong growth with EBITDA more than triple 1H20

Aquis Exchange PLC (AQX.L), the exchange services group, is pleased to announce its unaudited results for the six months ended 30 June 2021.

Highlights:

- Revenue increased 37% to £6.7 million (1H20: £4.9 million)
- EBITDA grew to £1.6 million (1H20: £0.5 million)
- Pre-tax profit grew to £1.0 million (1H20: £0.0 million)
- Cash and cash equivalents at 30 June 2021 of £13.9 million (30 June 2020: £11.2 million)
- Membership of Aquis Exchange (AQX) grew to 39 (1H20: 31) and there was a 27% increase in the average monthly usage, in terms of chargeable orders (2Q 2021 vs 4Q 2020)
- Market share of all pan-European trading significantly increased at 5.80% in 2Q21 (4.65% 4Q20, 4.56% 2Q20)
- Overall share of available liquidity of 22%, the highest of any European MTF
- Aquis Stock Exchange (AQSE) successfully integrated into the Group and multiple enhancements implemented, resulting in a record fourteen admissions completed during 1H21

Post-period highlights:

- Currently tracking in line with market expectations for the full year
- Achieved a new record monthly market share of pan-European trading of 6.2% in July 2021

Alasdair Haynes, Chief Executive Officer of Aquis, commented:

"We are delighted to announce that profits have continued to increase, reflecting the strong momentum maintained in revenue growth. This growth has been driven by our existing Members continuing to increase their trading volumes through our pan-European equity, lit market. The strength of our offering in this division is demonstrated by our having reached 5.80% of all pan-European secondary trading during 2Q21.

Following the completion of the acquisition of AQSE in March 2020 we introduced a number of strategic initiatives which have significantly improved liquidity, spreads and the overall attractiveness of the market. These changes have had a material effect on the number of companies admitted to trading with 14 new admissions during the first half, compared to three in 1H20.

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

An overview of the results from Alasdair Haynes, CEO, is available to view on this link:

<https://www.brmedia.co.uk/broadcasts-embed/6149d6a43ae1ca74490b15c2/aqx/?popup=true>

The Group will be hosting webinars for analysts and retail investors today at 9.00 and 13.00 respectively.

If you would like to register for the analyst webinar, please contact aquis@almapr.co.uk. Investors who would like to attend the retail investor webinar can sign up to Investor Meet Company for free and add themselves to the meeting via <https://www.investormeetcompany.com/aquis-exchange-plc/register-investor>. Investors who have already registered will be automatically invited.

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Notes to editors:

Aquis Exchange PLC is an exchange services group, which operates pan-European cash equities trading businesses (Aquis Exchange/AQX), growth and regulated primary markets (Aquis Stock Exchange/AQSE) and develops/licenses exchange software to third parties (Aquis Technologies).

Aquis Exchange (AQX) 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/Switzerland and in EU27 respectively. AQX operates lit order books and does not allow aggressive non-client proprietary trading, which has resulted in lower market impact and signalling risk on AQX 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. AQX uses 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 stock that they trade.

Aquis Stock Exchange (AQSE) is a stock market providing primary and secondary markets for equity and debt products. It is authorised as a Recognised Investment Exchange, which allows it to operate a regulated listings venue. The AQSE Growth Market is divided into two segments 'Access' and 'Apex', with different levels of admission criteria. The Access market focuses on earlier stage growth companies, while Apex is the intended market for larger, more established businesses.

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 Exchange PLC (AQX.L) is listed on the Alternative Investment Market of the LSE (AIM) market. For more information, please go to www.aquis.eu

For more information, please go to www.aquis.eu and www.aquis.technology

Chief Executive Officer's Report

The six months to 30 June 2021 have been another strong period of growth as we build on the profits achieved during 2020. In addition, we have made good operational progress in all areas to help drive us towards our long-term goals. The fact that we have achieved all this amidst the continued challenging economic circumstances arising from the global Covid-19 pandemic demonstrates our strong operational resilience and the continued demand for our unique offering.

We are very pleased to have implemented our numerous planned enhancements for the AQSE market, and that these changes have been so well received by market participants.

Operational Review

Aquis continued to develop its three divisions throughout the period:

- *Aquis Exchange (AQX)*: its pan-European lit equities market;
- *Aquis Stock Exchange (AQSE)*: a primary listings market for small and mid-cap companies;
- *Aquis Technologies*: a multi-asset class technology licensing service to an international client base

The Group's Market Data income stream (generated through the sale of AQX and AQSE data) has also grown substantially during the period.

This has enabled us to continue our strong growth as synergies are developed and the business potential is harnessed.

We continue to invest in key personnel in all areas, including the recent appointments of David Stevens as Chief Revenue Office (CRO) in May 2021, and Richard Fisher as Director of Finance (DoF) earlier in the year. Both David and Richard have already demonstrated their value in the short time since they joined Aquis and we are confident that they will help accelerate our business development progress going forward. The strength, experience and commitment of our staff, who have continued to demonstrate an admirably flexible approach during the last six months, remain a key contributor to our success.

Covid-19 Update

As previously communicated, the Group had well-established remote working policies and disaster recovery plans, which were put into practice during 1H20 and which have enabled the remote market operations although Aquis has now implemented a partial flexible return to office working. Thanks to our focus on technology and in line with being a flexible and agile operation, we have continued to serve our clients effectively whilst also pushing ahead with key strategic initiatives.

During 1H21 trading levels have been close to historic averages compared to 1H20 where we saw in the early weeks of the pandemic greatly increased market volumes and volatility which had a short-term positive impact. It is difficult to predict equity market trading volumes in the medium to long term, 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.

A summary of progress across our divisions is outlined below.

The Exchanges

The performance of both Aquis Exchange and Aquis Stock Exchange has progressed well. Exchange revenue increased by £1.2m (33%) from £3.7 million to £4.9 million and the number of Members grew from 31 to 39. In addition, a number of Aquis Exchange Members increased their trading volumes materially, with a 27% increase in the average monthly usage, in terms of chargeable orders (2Q 2021 vs 4Q 2020). This resulted in increased monthly subscriptions. There are now nine Members using the top three subscription pricing tiers and 25 in the other five tiers, with five liquidity providers.

Issuer revenue also increased reaching £0.34m as the number of admissions on AQSE grew year on year.

As the business moves forward, we anticipate AQSE and AQX will become increasingly integrated, allowing Members to benefit from the Group's enlarged offering.

Aquis Exchange: Continued strong growth in the core business

Aquis Exchange (AQX) is the Group's pan-European lit secondary trading equities market. It comprises the UK MTF (AQXE) and the French MTF serving EU markets (AQXEU).

The key performance indicators of the Aquis Exchange business all grew during the period. Aquis Exchange's market share of all pan-European trading was 5.8% for 2Q21 (2Q20: 4.56%) and has averaged in excess of 6% during the period since the half year close, reflecting this positive performance.

The Company currently has an offering in excess of 1,700 stocks and ETFs across 15 European markets. This increase includes the resumption of the Swiss market at the beginning of February 2021 following the accord between the UK and Switzerland. The Brexit transition was successfully managed, both during the transition period and thereafter, with a significant proportion of Exchange activity now being executed on AQXEU, the Group's French MTF serving EU markets.

Available liquidity on the exchange was at 22% in 1H21 (23% in 1H20) and it is expected this will continue to underpin future anticipated growth.

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 (AQSE): Substantial changes implemented drive momentum

AQSE is a modern market for modern businesses, bringing positive disruption and competition to the listed SME sector. 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 now delivered the four key actions which we believe will materially enhance the market:

Action	Purpose	Execution
Segmenting the market	Providing appropriate support throughout the growth cycle	Split the AQSE Growth market into two segments: <ul style="list-style-type: none"> • Access • Apex
Gaining greater institutional and asset manager support	Broadening the pool of available capital for issuers	13% growth in institutions that have publicly affirmed support for AQSE (1H21 vs 2H20)
Prohibiting short selling	Protecting issuers and investors	Short selling has been prohibited on the Apex market for 6 months
Enhanced trading mechanisms	Supporting greater liquidity	Since December 2020 and the introduction of innovative Market maker scheme: <ul style="list-style-type: none"> • Spreads reduced 64% • Value traded has increased >700%

We also entered into arrangements with Fregnan Ltd and Research Tree Ltd. to produce and publish research on AQSE's top-tier Apex stocks. Every Apex stock now has quantitative research on it, provided by Fregnan, available for free through the AQSE website. In addition, any existing fundamental research on Apex stocks is available through a dedicated Research Tree portal.

Fourteen admissions were completed during 1H21 compared to three during 1H20. All were well supported and there is a very strong pipeline of high growth and 'new economy' businesses in conversation with AQSE regarding IPO.

Revenue growth coupled with achieving the targeted cost synergies and savings has significantly reduced the loss generated by AQSE to just £0.1m for the period."

Aquis Technologies

Progress made on a number of projects

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.

Aquis recognises license revenue on completion of project delivery in accordance with IFRS accounting statutes. During 1H21 progress was made on a number of projects; however, there were no completed projects during the period. As a result, Aquis Technologies' revenue (net of provision releases) decreased 25% to £0.6m (1H20: £0.8m).

The successful cloud technology Proof of Concept (PoC) has demonstrated the quality of the Aquis Technologies offering and has resulted in a number of new exchange platform prospects. Innovation is at the core of Aquis Technologies and we 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

Aquis generates revenue from the sale of data derived from AQX (AQXE & AQXEU) and AQSE to non-Member market participants.

Revenue from market data vendors increased significantly by £0.7m, 187%, to £1.1m for the six month period compared to the 2020 equivalent. The harmonisation of Aquis Exchange (AQX) and Aquis Stock Exchange (AQSE) data pricing has contributed to this increase in data revenues.

Financial Review

Revenue increased 37% to £6.7m (1H19: £4.9m) and the EBITDA profit for the half year was £1.5m, three times the EBITDA profit of £0.5m generated in 1H20. This EBITDA profit and the profit before tax of £1.0m includes £0.2m of income recognised from an impairment credit per IFRS 9 consistent with the 1H20 impairment credit. The EBITDA profit growth is mainly attributable to increased exchange revenue and data revenue as Members' subscriptions have risen as a result of increased trading levels. The Group made some controlled increases in costs during 1H 2021 as it continued to invest in personnel and technological resources and the Group will continue to invest in the future to maintain the business' growth momentum.

The Group's cash and cash equivalents as at 30 June 2021 were £13.9 million (30 June 2020: £11.2 million), demonstrating its continued focus on careful cash management.

Summary and Outlook

Our strategic goal remains 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, transparency, simplicity and best-in-class technology. 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. We continue to make significant investment in our technology, sales and marketing activities, in particular in cloud technology, to support our long-term growth across all activities.

Alongside this we are working to enhance our software licensing activities and build presence internationally. We are pleased to have made significant progress on a number of material technology contracts post-period end that will support the second half performance and into FY22.

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. Notwithstanding the macroeconomic uncertainty, current trading is tracking in line with market expectations for the full year.

We have built good momentum over the past few years, despite facing numerous challenges along the way. This demonstrated the strength of our team and our offering, and I am excited to see what we can achieve across the next six months.

Alasdair Haynes
Chief Executive Officer

AQUIS EXCHANGE PLC

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2021

	6 months ended 30/06/2021	Year ended 31/12/2020	6 months ended 30/06/2020	
Note	£'000	£'000	£'000	
Income Statement				
Revenue	3	6,687	11,477	4,851
Impairment credit/(charge)	4	178	(100)	183
Administrative expenses		(5,299)	(9,856)	(4,497)
Operating profit		1,566	1,521	537
Investment income	5	-	15	14
Depreciation and amortisation	7,8	(543)	(1,030)	(522)
Net finance costs	18	(15)	(35)	(17)
Profit before taxation		1,008	471	12
Income tax credit		-	307	-
Deferred tax		-	204	-
Profit for the six months/year		1,008	982	12
Other comprehensive income				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign exchange differences on translation of foreign operations, net of tax	17	4	(1)	4
Other comprehensive loss for the year		4	(1)	4
Total comprehensive profit for the year		1,012	981	16
Earnings per share (pence)				
Basic				
Ordinary shares		3.7	3.6	0
Diluted				
Ordinary shares		3.5	3.4	0

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

AQUIS EXCHANGE PLC

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	6 months ended 30/06/2021 £'000	Year ended 31/12/2020 (Restated) £'000	6 months ended 30/06/2020 (Restated) £'000
Assets				
Non-current assets				
Goodwill	7	83	83	-
Intangible assets	7	792	916	815
Property, plant and equipment	8	1,315	1,579	1,612
Deferred tax asset	10	204	204	-
Trade and other receivables	9	915	840	947
		3,309	3,622	3,374
Current assets				
Trade and other receivables	9	3,696	2,924	2,742
Cash and cash equivalents		13,860	12,268	11,182
		17,556	15,192	13,924
Total assets		20,865	18,814	17,298
Liabilities				
Current liabilities				
Trade and other payables	11	2,827	2,846	2,329
Non-current liabilities				
Lease liabilities	18	953	995	1,092
Total liabilities		3,780	3,806	3,421
Net assets		17,085	14,973	13,877
Equity				
Called up share capital	12	2,749	2,717	2,717
Share premium account	13	11,738	10,892	10,892
Other reserves	14	1,055	761	476
Treasury shares	16	(561)	(490)	(409)
Retained earnings/accumulated losses	15	2,100	1,092	197
Foreign currency translation reserve	17	4	1	4
Total equity		17,085	14,973	13,877

The notes to the financial statements on pages 6 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 **23 September 2021** and are signed on its behalf by:

J Clelland
Director

A Haynes
Director

AQUIS EXCHANGE PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	Share Capital	Share Premium	Other Reserves	Treasury Shares	Retained Earnings	Foreign Currency Translation Reserve	Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2020 (Restated)		2,715	10,840	378	(328)	146	1	13,752
Profit for the 6-month period ended 30/06/2020						12		12
Issue of new shares		2	52					54
Movement in share option reserve				137				137
Movement in treasury shares (Restated)					(81)			(81)
Foreign exchange differences on translation of foreign operations							3	3
Balance at 30 June 2020 (Restated)		2,717	10,892	515	(409)	158	4	13,877
Profit for the 6 month period ended 31/12/2020						969		969
Movement in share option reserve				246				246
Movement in treasury shares					(81)			(81)
Foreign exchange differences on translation of foreign operations							(3)	(3)
Post audit adjustments						(35)		(35)
Balance at 31 December 2020 (Restated)		2,717	10,892	761	(490)	1,092	1	14,973
Profit for the 6-month period ended 30/06/2021						1,008		1,008
Issue of new shares	12,13	32	846					878
Movement in share option reserve	14			294				294
Movement in treasury shares	16				(71)			(71)
Foreign exchange differences on translation of foreign operations	17						3	3
Balance at 30 June 2021		<u>2,749</u>	<u>11,738</u>	<u>1,055</u>	<u>(561)</u>	<u>2,100</u>	<u>4</u>	<u>17,085</u>

AQUIS EXCHANGE PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Note	6 months ended 30/06/2021 £'000	Year ended 31/12/2020 £'000	6 months ended 30/06/2020 £'000
Cash flows from operating activities				
Cash generated/absorbed by operations	19	1,215	2,130	568
Tax refunded		-	308	-
Finance expense on lease liabilities	18	(15)	(35)	(17)
Net cash inflow from operating activities		1,200	2,403	551
Investing Activities				
Recognition of intangible assets	7	(154)	(643)	(311)
Purchase of property, plant and equipment	8	(163)	(115)	(44)
Purchase of treasury shares	16	(71)	-	-
Investment in subsidiaries		-	(259)	-
Interest received	5	-	15	14
Net cash used in / generated by investing activities		(388)	(1,002)	(341)
Financing Activities				
Proceeds from share issue	12,13	878	54	54
Principal portion of lease liability	18	(101)	(195)	(98)
Net cash (used in)/ generated by financing activities		777	(141)	(44)
Net increase/(decrease) in cash and cash equivalents		1,589	1,258	167
Cash and cash equivalents at the beginning of the period		12,268	11,011	11,011
Effect of exchange rate changes on cash and cash equivalents		3	(1)	4
Cash and cash equivalents at the end of the period		13,860	12,268	11,182

AQUIS EXCHANGE PLC

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 2021 and ending 30 June 2021 (“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 2020 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 Company was not affected by any specific events and transactions during the six months to 30 June 2021. However, it is worth noting the following:

- At the beginning of the year, a significant percentage of trading of European securities moved to the Aquis European platform, Aquis Exchange Europe SAS. The subsidiary is based in Paris, France and is regulated by the Autorité de Contrôle Prudentiel et de Resolution (ACPR) and the Autorité des Marchés Financiers (AMF). This followed the outcome of trade negotiations between the UK and the European Union, which failed to result in the acknowledgement of financial services equivalence between the two jurisdictions. It is anticipated that financial services equivalence is unlikely to be recognised and the majority of trading in EU securities will remain in Paris. This has not yet had a significant impact on the financial position or performance of the Company, however the lack of equivalence and resulting changes in the regulatory landscape are likely to present new challenges and opportunities for the Company.

3. Revenue

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

	6 months ended 30/06/2021	Year ended 31/12/2020	6 months ended 30/06/2020
	£’000	£’000	£’000
Exchange Fees	4,899	7,738	3,682
Licence Fees	379	2,320	607
Issuer Fees	340	524	189
Data Vendor Fees	1,069	895	373
	<u>6,687</u>	<u>11,477</u>	<u>4,851</u>

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Expected credit loss

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

	£'000
As at 31/12/2019	411
Expected credit loss reversal for the period	(183)
As at 30/06/2020	228
Expected credit loss reversal for the period	281
As at 31/12/2020	509
Expected credit loss reversal for the period	(178)
As at 30/06/2021	331

5. Investment income

	6 months ended 30/06/2021	Year ended 31/12/2020	6 months ended 30/06/2020
	£'000	£'000	£'000
Interest income on bank deposits	0	15	14

6. Earnings per share

	6 months ended 30/06/2021	Year ended 31/12/2020	6 months ended 30/06/2020
Number of Shares ('000)			
Weighted average number of ordinary shares for basic earnings per share	27,197	27,164	27,158
Weighted average number of ordinary shares for diluted earnings per share	28,638	28,281	28,043
Earnings (£'000)			
Profit for the period from continued operations	1,008	982	12
Basic and diluted earnings per share (pence)			
Basic earnings per ordinary share	3.7	3.6	0
Diluted earnings per ordinary share	3.5	3.4	0

AQUIS EXCHANGE PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Intangible assets

	Group Developed Trading Platforms	Goodwill
	£'000	£'000
Cost		
As at 31/12/2019	2,055	-
Additions- internally generated (Restated)	311	83
As at 30/06/2020 (Restated)	2,366	83
Additions- internally generated	332	-
As at 31/12/2020	2,698	83
Additions- internally generated	154	-
As at 30/06/2021	2,852	83
Accumulated amortisation and impairment		
As at 31/12/2019	1,302	-
Charge for the period	249	-
As at 30/06/2020	1,551	-
Charge for the period	231	-
As at 31/12/2020	1,782	-
Charge for the period	278	-
As at 30/06/2021	2,060	-
Carrying amount		
As at 31/12/2019	753	-
As at 30/06/2020 (Restated)	815	83
As at 31/12/2020	916	83
As at 30/06/2021	792	83

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Property, plant and equipment

	Fixtures, fittings and equipment	Computer Equipment	Non- current portion of IFRS 16 leased assets	Total
	£'000	£'000	£'000	£'000
Cost				
As at 31/12/2019	249	2,097	1,271	3,617
Additions & disposals	-	44	-	44
As at 30/06/2020	249	2,141	1,271	3,661
Additions & disposals	3	70	-	73
As at 31/12/2020	252	2,211	1,271	3,734
Additions & disposals	-	163	-	163
As at 30/06/2021	252	2,374	1,271	3,897
Accumulated depreciation and impairment				
As at 31/12/2019	127	1,476	173	1,776
Charge for the period	25	161	87	273
As at 30/06/2020	152	1,637	260	2,049
Charge for the period	26	167	86	279
As at 31/12/2020	178	1,804	346	2,328
Charge for the period	25	142	87	254
As at 30/06/2021	203	1,946	433	2,582
Carrying amount				
As at 31/12/2019	122	621	1,098	1,841
As at 30/06/2020	97	504	1,011	1,612
As at 31/12/2020	74	407	925	1,406
As at 30/06/2021	49	428	838	1,315

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Trade and other receivables

	Current		
	As at 30/06/2021	As at 31/12/2020	As at 30/06/2020
	£'000	£'000	£'000
Trade receivables net of impairment	2,918	2,633	2,204
Prepayments	598	279	340
Other receivables	180	12	198
	3,696	2,924	2,742
	Non-Current		
	As at 30/06/2021	As at 31/12/2020	As at 30/06/2020
	£'000	£'000	£'000
Trade receivables net of impairment	690	618	729
Other receivables	225	222	218
	915	840	947

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 30/06/2021	As at 31/12/2020	As at 30/06/2020
	£'000	£'000	(Restated) £'000
Gross trade receivables	3,957	3,777	3,283
Expected credit loss	(349)	(526)	(350)
Trade receivables net of impairment	3,608	3,251	2,933

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

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

10. Deferred tax asset

A deferred tax asset was recognised in the year ended 31 December 2020, due to the Group becoming profitable for the first time. The Group is expected to continue to be profitable in future years, with the value of the deferred tax asset to be reassessed annually at year end.

	As at 30/06/2021	As at 31/12/2020	As at 30/06/2020
	£'000	£'000	£'000
Deferred tax asset	204	204	-

11. Trade and other payables

	As at 30/06/2021	As at 31/12/2020 (Restated)	As at 30/06/2020
Trade payables	264	263	90
Accruals	1,063	1,560	968
Social security and other taxation	190	427	370
Deferred revenue	935	432	709
Other payables	375	164	192
	2,827	2,846	2,329

12. Called up share capital

	As at 30/06/2021	As at 31/12/2020	As at 30/06/2020
	£'000	£'000	£'000
Ordinary share capital			
<i>Issued and fully paid</i>			
27,149,559 Ordinary shares of 10p each	2,717	2,715	2,715
Issue of new shares following exercise of 323,267 EMI share options	32	-	-
Issue of new shares following exercise of 20,137 EMI share options	-	2	2
Ordinary share capital	2,749	2,717	2,717

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Share premium account

	As at 30/06/2021	As at 31/12/2020	As at 30/06/2020
	£'000	£'000	£'000
Share premium			
At beginning of year	10,892	10,840	10,840
Issue of new shares following exercise of 323,267 EMI share options	846	-	-
Issue of new shares following exercise of 20,137 EMI share options	-	52	52
Share premium	<u>11,738</u>	<u>10,892</u>	<u>10,892</u>

14. Other Reserves

	£'000
As at 31/12/2019 (Restated)	<u>378</u>
Share-based payment expense for the 6-month period ended 30/06/2020 (Restated)	<u>137</u>
As at 31/06/2020 (Restated)	515
Share-based payment expense for the 6-month period ended 31/12/2020	<u>246</u>
As at 31/12/2020	761
Share-based payment expense for the 6-month period ended 30/06/2020	<u>294</u>
As at 30/06/2021	<u>1,055</u>

The reserves relating to share-based payments reflects the estimated value of the approved employee share option schemes, which include the EMI, CSOP and Restricted Share options. The valuation of the options granted is estimated using a US binomial or Black Scholes model. Also included in the share-based payment reserve are the treasury shares purchased by the Trust under the Share Incentive Plan.

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

15. Retained earnings

	£'000
As at 31/12/2019	146
Profit for the 6-month period ended 30/06/2020	12
As at 31/06/2020	158
Profit for the 6-month period ended 30/12/2020	969
Post audit adjustments ¹	(35)
As at 31/12/2020 (Restated)	1,092
Profit for the 6-month period ended 30/06/2021	1,008
As at 30/06/2021	2,100

¹ These relate to separate adjustments that were posted in Aquis Stock Exchange Limited (£24k) and Aquis Exchange Europe SAS (£11k) after the Group audit had concluded. The adjustments affect the Group prior year retained earnings and trade payables balances.

16. Treasury shares

Treasury shares are purchased by a Trust under the employee Share Employee Plan. The Trust is consolidated within the Group financial statements and the value of the shares held at the balance sheet date is shown below.

	As at 30/06/2021	As at 31/12/2020	As at 30/06/2020 (Restated)
	£'000	£'000	£'000
Share premium			
At beginning of year	490	328	328
Purchase of treasury shares	71	162	81
Treasury shares	561	490	409

17. Foreign currency translation reserve

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 30/06/2021	Year ended 31/12/2020	6 months ended 30/06/2020
	£'000	£'000	£'000
At the beginning of the year/period	1	4	1
Foreign exchange differences on translation of foreign operations recognised in OCI	3	(3)	3
At the end of the year/period	4	1	4

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

18. IFRS 16 Leases

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

Right of Use Asset

	Property
	£
Carrying amount at 1 January 2020	1,271
Depreciation for the period	(87)
Carrying amount at 30 June 2020	1,184
Depreciation for the period	(86)
Carrying amount at 31 December 2020	1,098
Depreciation for the period	(87)
Carrying amount at 30 June 2021	1,011
Of which are:	
Current	173
Non-current	838
	1,011

Rent deposit asset

	Rent deposit asset
	£
Carrying amount at 1 January 2020	222
Finance income on rent deposit asset for the period	3
Carrying amount at 30 June 2020	225
Finance income on rent deposit asset for the period	4
Carrying amount at 31 December 2020	229
Finance income on rent deposit asset for the period	3
Carrying amount at 30 June 2021	232
Of which are:	
Current	7
Non-current	225
	232

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

Lease liability

	Lease liability
	£
Carrying amount at 1 January 2020	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
Finance expense on lease liability for the period	21
Lease payments made during the period	(115)
Carrying amount at 31 December 2020	1,190
Finance expense on lease liability for the period	18
Lease payments made during the period	(116)
Carrying amount at 30 June 2021	1,092
Of which are:	
Current	139
Non-current	953
	1,092

Net finance expense on leases

	6 months ended 30/06/2021	Year ended 31/12/2020	6 months ended 30/06/2020
	£	£	£
Finance expense on lease liability	18	42	21
Finance income on rent deposit asset	(3)	(7)	(3)
Net finance expense relating to leases	15	35	18

The finance income and finance expense arising from the Groups 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 30/06/2021	Year ended 31/12/2020	6 months ended 30/06/2020
	£	£	£
Depreciation expense on right-of-use assets	(87)	(173)	(87)
Finance expense on lease liability	(18)	(42)	(21)
Finance income on rent deposit asset	3	7	3
Net impact of leases on profit or loss	(102)	(208)	(105)

AQUIS EXCHANGE PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

The total cash outflow for leases amounted to £115k in the 6 months to 30th June 2021.

19. Cash generated from operations

	6 months ended 30/06/2021	Year ended 31/12/2020	6 months ended 30/06/2020 (Restated)
	£'000	£'000	£'000
Profit after tax	1,008	982	12
Adjustments for:			
Taxation	-	(307)	-
Deferred tax	-	(204)	-
Investment revenue	-	(15)	(14)
Amortisation and impairment of intangible assets	278	480	249
Depreciation and impairment of property, plant and equipment	254	550	273
Equity settled share-based payment expense	294	393	98
Other gains/losses	39	40	(29)
Movement in working capital:			
Increase in trade and other receivables	(674)	(1,100)	(850)
Increase in trade and other payables	16	1,311	829
Cash generated/ (absorbed) by operations	1,215	2,130	568