

22 September 2022

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

Interim results for the six months ended 30 June 2022
Continued revenue growth and investment in the future

Aquis Exchange PLC (AQX.L), the exchange services group, is pleased to announce its unaudited results for the six months ended 30 June 2022.

Highlights:

All three divisions were profitable in the period.

- Net Revenue ⁽¹⁾ increased 21% to £8.3 million (1H21: £6.9 million)
- EBITDA at £1.4 million (1H21: £1.6 million) following a significant investment in technology and development headcount to drive future growth
- Pre-tax profit of £0.7 million (1H21: £1.0 million)
- Cash and cash equivalents at 30 June 2022 of £13.3 million (30 June 2021: £13.9 million)
- Membership of Aquis Exchange (AQX) grew to 42 (1H21: 39), with a small decline in average monthly usage reflecting more volatile market conditions
- Market share of all pan-European trading ended the period at 5.20% in 2Q22 (4Q21: 5.35%)
- 12 new admissions to Aquis Stock Exchange (AQSE) completed during 1H22 (1H21: 14)
- Signature of a new significant multi-year technology licence contract
- Aquis Matching Pool (AMP) successfully launched following the asset purchase from UBS on 4 April 2022, with average monthly market share of c. 0.5% added to the Group total share

Post-period highlights:

- Currently tracking in line with market expectations for the full year
- Signature of an additional new significant multi-year technology licence contract

Alasdair Haynes, Chief Executive Officer of Aquis, commented:

"Our revenues have continued to increase, reflecting the strong momentum across the Group. This growth has been driven by increased contributions from the principal business divisions: pan-European secondary trading, technology sales, primary issuers and data revenues. The continued strength of our offering in this division is demonstrated by our finishing with 5.20% of all pan-European secondary trading by the end of 2Q22. We are also particularly encouraged by the number of new significant technology licenses that continue to be signed as this growing division becomes an increasingly material and important part of our business."

Aquis also successfully completed the asset purchase of the Aquis Matching Pool from UBS and is now able to offer a full product suite to its customers. We will continue to enhance this area and look forward to offering further product innovation in this space to enable clients to execute the trading strategies they wish."

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.brrmedia.co.uk/broadcasts-embed/>

The Group will be hosting webinars for analysts and retail investors today at 9.30 and 14.30 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.

(1) Net revenue of £8.3m comprises revenues of £7.9m and impairment credit of £0.4m

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Notes to Editors**About Aquis Exchange PLC**

Aquis Exchange PLC and its subsidiaries are an exchange services group, which operate a pan-European cash equities trading businesses (Aquis Exchange), a growth and regulated primary market (Aquis Stock Exchange/AQSE) and develop/license exchange software to third parties (Aquis Technologies).

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/Switzerland and in EU27 respectively. Aquis Exchange operates lit and dark order books, covering 16 European markets. For its lit books, Aquis Exchange 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 and does not allow aggressive non-client proprietary trading, which has resulted in lower market impact and signalling risk on Aquis Exchange than other trading venues in Europe.

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 is quoted on the Aquis Stock Exchange and on the Alternative Investment Market of the LSE (AIM) market. For more information, please go to www.aquis.eu.

Chief Executive Officer's Report

The six months to 30 June 2022 has been another strong period of growth as we build on the revenues achieved during 2021. 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 demonstrates our strong operational resilience and the continued demand for our unique offering.

We are very pleased to have acquired and smoothly integrated the Aquis Matching Pool ("AMP") into our suite of product offerings.

Operational Review

Aquis continued to develop its three divisions throughout the period:

- *Aquis Exchange (AQX)*: its pan-European lit equities market; which now includes its dark pool vehicle AMP;
- *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 continued to grow during the period.

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

In the last six months we have accelerated our planned investment in key business areas such as growing our technology development team. This investment both allows us to maintain our internally used Aquis technology set and will help drive the ongoing growth in our technology licencing business.

The Exchanges

The performance of both Aquis Exchange and Aquis Stock Exchange has progressed well. Exchange revenue increased by £0.5m (10%) from £4.9 million to £5.4 million and the number of Members grew from 39 to 42. Aquis Exchange Members decreased their trading volumes in the period, with an 8% softening in the average monthly usage in terms of chargeable orders (2Q 2022 vs 4Q 2021), reflecting the prevailing volatile market conditions. Despite this reduction the number of monthly subscriptions slightly rose. On average, there were nine Members using the top three (four post new top tier in May) subscription pricing tiers and 24 in the other five tiers, with nine liquidity providers.

Issuer revenue increased, reaching £0.4million 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 breadth of the Group's offering.

Aquis Exchange

Continued revenue growth in the core business despite tough market conditions

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 (AQEU).

Aquis Exchange's market share of all pan-European trading had declined during the end of 2021 and start of 2022 but has averaged in excess of this level during the period since the half year close, reflecting an improved performance and also the inclusion of market share from AMP. Total market share was 5.2% by close of 2Q22 (5.35% 4Q21, 5.77% 2Q21).

Aquis Matching Pool: Following the acquisition of the UBS MTF, Aquis is pleased to note the seamless transition of activity with the number of members and levels of trading experienced to date post acquisition consistent on that previously seen, with Management confident that future opportunities to grow from this current base are available through 2022 and beyond.

Aquis Exchange currently has an offering in excess of 2,100 stocks and ETFs across 16 European markets with the Czech market added in the period. A significant proportion of Exchange activity is now being executed on AQEU, the Group's French MTF serving EU markets.

Available liquidity on the exchange was at 23% in 1H22 (22% in 1H21) 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)

Momentum building despite difficult market conditions

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.

12 admissions were completed during 1H22 (joint with our principal competitor) compared to 14 during 1H21. 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 such that the division is currently forecast to at least break even for the financial year 2022.

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, which can lead to lumpy revenue recognition, period on period. During 1H22 significant progress was made on a number of projects; and Aquis notes one new contract has been signed in the period, and a further one prior to this results announcement however, there were no completed projects during the period, consistent on 1H21. As a result, Aquis Technologies' revenue (net of provision releases) is below that recognised in 2H21, but remains significantly above that recognised in 1H21, increasing to £1.1m (1H21: £0.6m) net of provisions.

The successful exchange cloud technology Proof of Concept (PoC) completed in 2021 has continued to demonstrate the quality of the Aquis Technologies offering and has resulted in a number of new exchange platform prospects. The investment we have made in the first half of 2022 has allowed us to further develop our innovative technology which 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 & AQEU) and AQSE to non-Member market participants.

Revenue from market data vendors increased significantly by £0.3m, 29%, to £1.4m for the six-month period compared to the 2021 equivalent, with continued growth in both terminal use and non-display licences across the period.

Financial Review

Net revenue increased 21% to £8.3m (1H21: £6.9m) and the EBITDA profit for the half year was £1.4m, broadly in line with the EBITDA profit of £1.6m generated in 1H21. This EBITDA profit and the profit before tax of £0.7m includes £0.4m of income recognised from an impairment credit per IFRS 9 consistent with the 1H21 impairment credit. The EBITDA has remained broadly consistent as the Group made some controlled increases in costs during both in 1H 2022 and the back end of last year as it continued to invest in personnel and technological resources. 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 2022 were £13.3 million (30 June 2021: £13.9 million).

Summary and Outlook

Our strategic goal remains to become one of the leading exchange groups through delivering best-in-class 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 aspirations 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 FY23, as this growing division becomes an increasingly important part of our business.

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 2022

		6 months ended 30/06/2022	Year ended 31/12/2021	6 months ended 30/06/2021
	Note	£'000	£'000	£'000
Income Statement				
Revenue	3	7,849	17,182	6,687
Impairment credit/(charge)	4	425	(972)	178
Administrative expenses		(6,912)	(11,930)	(5,299)
Operating profit		1,362	4,280	1,566
Investment income	5	4	-	-
Depreciation and amortisation	7,8	(632)	(1,032)	(543)
Net finance costs	18	(35)	(26)	(15)
Profit before taxation		699	3,222	1,008
Income tax		-	-	-
Deferred tax		-	1,089	-
Profit after taxation		699	4,311	1,008
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	(42)	77	4
Other comprehensive loss for the year		(42)	77	4
Total comprehensive profit for the year		657	4,388	1,012
Earnings per share (pence)				
Basic				
Ordinary shares		3	16	4
Diluted				
Ordinary shares		2	15	3

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 2022

		6 months ended 30/06/2022	Year ended 31/12/2021	6 months ended 30/06/2021
	Note	£'000	£'000	£'000
Assets				
Non-current assets				
Goodwill	7	83	83	83
Intangible assets	7	772	754	792
Property, plant and equipment	8	4,263	4,146	1,488
Deferred tax asset	10	1,292	1,292	204
Trade and other receivables	9	4,714	2,745	915
		11,124	9,020	3,482
Current assets				
Trade and other receivables	9	2,786	3,769	3,523
Cash and cash equivalents		13,320	14,046	13,860
		16,106	17,815	17,383
Total assets		27,230	26,835	20,085
Liabilities				
Current liabilities				
Trade and other payables	11	4,453	3,783	2,792
Non-current liabilities				
Lease liabilities	18	3,214	3,423	953
Total liabilities		7,667	7,206	3,745
Net assets		19,563	19,629	17,120
Equity				
Called up share capital	12	2,751	2,751	2,749
Share premium account	13	11,780	11,771	11,738
Other reserves	14	1,860	1,118	1,055
Treasury shares	16	(3,001)	(1,527)	(561)
Retained earnings	15	6,137	5,438	2,135
Foreign currency translation reserve	17	36	78	4
Total equity		19,563	19,629	17,120

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 **22 September 2022** and are signed on its behalf by:

R Fisher
Director

A Haynes
Director

AQUIS EXCHANGE PLC

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2022

	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 2021		2,717	10,892	761	(490)	1,127	1	15,008
Profit for the 6-month period ended 30/06/2021						1,008		1,008
Issue of new shares		32	846					878
Movement in share option reserve				294				294
Movement in treasury shares					(71)			(71)
Foreign exchange differences on translation of foreign operations							3	3
Balance at 30 June 2021		<u>2,749</u>	<u>11,738</u>	<u>1,055</u>	<u>(561)</u>	<u>2,135</u>	<u>4</u>	<u>17,120</u>
Profit for the 6 month period ended 31/12/2021						3,303		3,303
Issue of new shares		2	33					35
Movement in share option reserve				63				63
Movement in Treasury Shares					(966)			(966)
Foreign exchange differences on translation of foreign operations							74	74
Balance at 31 December 2021		<u>2,751</u>	<u>11,771</u>	<u>1,118</u>	<u>(1,527)</u>	<u>5,438</u>	<u>78</u>	<u>19,629</u>
Profit for the 6-month period ended 30/06/2022						699		699
Issue of new shares	12,13		9					9
Movement in share option reserve	14			742				742
Movement in treasury shares	16				(1,474)			(1,474)
Foreign exchange differences on translation of foreign operations	17						(42)	(42)
Balance at 30 June 2022		<u>2,751</u>	<u>11,780</u>	<u>1,860</u>	<u>(3,001)</u>	<u>6,137</u>	<u>36</u>	<u>19,563</u>

AQUIS EXCHANGE PLC

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Note	6 months ended 30/06/2022	Year ended 31/12/2021	6 months ended 30/06/2021
		£'000	£'000	£'000
Cash flows from operating activities				
Cash generated/absorbed by operations	19	1,066	3,157	1,215
Tax refunded		-	-	-
Finance expense on lease liabilities	18	35	(26)	(15)
Net cash inflow from operating activities		1,101	3,131	1,200
Investing Activities				
Recognition of intangible assets	7	(281)	(350)	(154)
Purchase of property, plant and equipment	8	(478)	(320)	(163)
Interest received	5	4	-	-
Net cash used in / generated by investing activities		(755)	(670)	(388)
Financing Activities				
Proceeds from share issue	12,13	9	913	878
Purchase of treasury shares	16	(1,000)	(1,100)	(71)
Principal portion of lease liability	18	(39)	(573)	(101)
Net cash (used in)/ generated by financing activities		(1,030)	(760)	777
Net increase/(decrease) in cash and cash equivalents		(684)	1,701	1,589
Cash and cash equivalents at the beginning of the period		14,046	12,268	12,268
Effect of exchange rate changes on cash and cash equivalents		(42)	77	3
Cash and cash equivalents at the end of the period		13,320	14,046	13,860

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 2022 and ending 30 June 2022 ("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 2021 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 not affected by any specific events and transactions during the six months to 30 June 2022. However, it is worth noting the following:

- On 4 April 2022, the group assumed the business activities of UBS MTF, the non-displayed matching pool. This initiative represented a significant extension of the equities trading services the group offers its clients and complements its existing suite of lit liquidity pools and range of order types.

3. Revenue

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

	6 months ended 30/06/2022	Year ended 31/12/2021	6 months ended 30/06/2021
	£'000	£'000	£'000
Exchange Fees	5,387	9,766	4,899
Licence Fees	662	4,405	379
Issuer Fees	424	2,319	340
Data Vendor Fees	1,376	692	1,069
	<u>7,849</u>	<u>17,182</u>	<u>6,687</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 31/12/2020	508
Expected credit loss reversal for the period	(178)
As at 30/06/2021	330
Expected credit loss charge for the period	1,150
As at 31/12/2021	1,480
Expected credit loss reversal for the period	(425)
As at 30/06/2022	1,055

5. Investment income

	6 months ended 30/06/2022	Year ended 31/12/2021	6 months ended 30/06/2021
	£'000	£'000	£'000
Interest income on bank deposits	4	0	0

6. Earnings per share

	6 months ended 30/06/2022	Year ended 31/12/2021	6 months ended 30/06/2021
Number of Shares ('000)			
Weighted average number of ordinary shares for basic earnings per share	27,509	27,340	27,197
Weighted average number of ordinary shares for diluted earnings per share	28,431	28,457	28,638
Earnings (£'000)			
Profit for the period from continued operations	699	4,311	1,008
Basic and diluted earnings per share (pence)			
Basic earnings per ordinary share	3	16	4
Diluted earnings per ordinary share	2	15	3

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Intangible assets

	Group Developed Trading Platforms	Other Intangibles	Goodwill
	£'000	£'000	£'000
Cost			
As at 31/12/2020	2,698	-	83
Additions- internally generated	154	-	-
As at 30/06/2021	2,852	-	83
Additions - internally generated	159	37	0
As at 31/12/2021	3,011	37	83
Additions	282	-	-
As at 30/06/2022	3,293	37	83
Accumulated amortisation and impairment			
As at 31/12/2020	1,782	-	-
Charge for the period	278	-	-
As at 30/06/2021	2,060	-	-
Charge for the period	226	-	-
As at 31/12/2021	2,286	8	-
Charge for the period	258	6	-
As at 30/06/2022	2,544	14	-
Carrying amount			
As at 31/12/2020	916	-	83
As at 30/06/2021	792	-	83
As at 31/12/2021	725	29	83
As at 30/06/2022	749	23	83

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

8. Property, plant and equipment

	Fixtures, fittings and equipment	Computer Equipment	Right of Use Asset	Total
	£'000	£'000	£'000	£'000
Cost				
As at 31/12/2020	252	2,211	1,444	3,907
Additions & disposals	-	163	-	163
As at 30/06/2021	252	2,374	1,444	4,070
Additions & disposals	72	15	2,795	2,882
As at 31/12/2021	324	2,389	4,329	6,952
Additions & disposals	168	312	-	480
As at 30/06/2022	492	2,701	4,239	7,432
Accumulated depreciation and impairment				
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
Charge for the period	27	129	68	224
As at 31/12/2021	230	2,075	501	2,806
Charge for the period	38	152	173	363
As at 30/06/2022	268	2,227	674	3,169
Carrying amount				
As at 31/12/2020	74	407	1,098	1,579
As at 30/06/2021	49	428	1,011	1,488
As at 31/12/2021	94	314	3,738	4,146
As at 30/06/2022	224	474	3,565	4,263

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

9. Trade and other receivables

	Current		
	As at 30/06/2022	As at 31/12/2021	As at 30/06/2021
	£'000	£'000	£'000
Trade receivables net of impairment	2,096	2,997	2,918
Prepayments	683	433	598
Other receivables	7	339	7
	2,786	3,769	3,523
	Non-Current		
	As at 30/06/2022	As at 31/12/2021	As at 30/06/2021
	£'000	£'000	£'000
Trade receivables net of impairment	4,079	2,416	690
Other receivables	635	329	225
	4,714	2,745	915

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 30/06/2022	As at 31/12/2021	As at 30/06/2021
	£'000	£'000	£'000
Gross trade receivables	7,311	6,940	3,957
Expected credit losses on contract assets	(1,055)	(1,527)	(349)
Provisions against trade receivables	(81)	-	-
Trade receivables net of impairment	6,175	5,413	3,608

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 30/06/2022	As at 31/12/2021	As at 30/06/2021
	£'000	£'000	£'000
Deferred tax asset	1,292	1,292	204

11. Trade and other payables

	As at 30/06/2022	As at 31/12/2021	As at 30/06/2021
Trade payables	499	171	264
Accruals	1,048	1,811	1,028
Social security and other taxation	782	507	190
Deferred revenue	1,604	883	935
Short term lease liabilities	435	208	-
Other payables	85	203	375
	4,453	3,783	2,792

12. Called up share capital

	As at 30/06/2022	As at 31/12/2021	As at 30/06/2021
	£'000	£'000	£'000
Ordinary share capital			
<i>Issued and fully paid</i>			
27,149,559 Ordinary shares of 10p each	2,751	2,717	2,717
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	-	34	-
Ordinary share capital	2,751	2,751	2,749

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

13. Share premium account

	As at 30/06/2022	As at 31/12/2021	As at 30/06/2021
	£'000	£'000	£'000
Share premium			
At beginning of year	11,771	10,892	10,892
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	-	879	-
Issue of new shares following exercise of 2,666 EMI share options	9	-	-
Share premium	<u>11,780</u>	<u>11,771</u>	<u>11,738</u>

14. Other Reserves

	£'000
As at 31/12/2020	<u>761</u>
Share-based payment expense for the 6-month period ended 30/06/2021	<u>294</u>
As at 31/06/2021	1,055
Share-based payment expense for the 6-month period ended 31/12/2021	<u>63</u>
As at 31/12/2021	1,118
Share-based payment expense for the 6-month period ended 30/06/2022	<u>742</u>
As at 30/06/2022	<u>1,860</u>

The reserves relating to share-based payments reflects the estimated value of the approved employee share option schemes, which include the EMI, CSOP, PPO 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 31/12/2020	1,127
Profit for the 6-month period ended 30/06/2021	1,009
As at 31/06/2021	2,136
Profit for the 6-month period ended 30/12/2021	3,302
As at 31/12/2021	5,438
Profit for the 6-month period ended 30/06/2022	699
As at 30/06/2022	6,137

16. Treasury shares

Treasury shares are purchased by a Trust under the Employee Share Plans. 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 30/06/2022	As at 31/12/2021	As at 30/06/2021
	£'000	£'000	£'000
Share premium			
At beginning of period	1,527	561	490
Purchase of treasury shares	1,474	966	71
Treasury shares at close of period	3,001	1,527	561

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 30/06/2022	Year ended 31/12/2021	6 months ended 30/06/2021
	£'000	£'000	£'000
At the beginning of the year/period	78	4	1
Foreign exchange differences on translation of foreign operations recognised in OCI	(42)	74	3
At the end of the year/period	36	78	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 £'000
Carrying amount at 1 January 2021	1,098
Depreciation for the period	(87)
Carrying amount at 30 June 2021	1,011
Depreciation for the period	(67)
Additions	3,758
Disposals	(964)
Carrying amount at 31 December 2021	3,738
Depreciation for the period	(173)
Carrying amount at 30 June 2022	3,565
Of which are:	
Current	341
Non-current	3,224
	3,565

Rent deposit asset

	Rent deposit asset £'000
Carrying amount at 1 January 2021	229
Finance income on rent deposit asset for the period	3
Carrying amount at 30 June 2021	232
Finance income on rent deposit asset for the period	6
Additions	374
Carrying amount at 31 December 2021	612
Finance income on rent deposit asset for the period	22
Carrying amount at 30 June 2022	634
Of which are:	
Current	284
Non-current	350
	634

AQUIS EXCHANGE PLC
NOTES TO THE FINANCIAL STATEMENTS (continued)

Lease liability

	Lease liability £'000
Carrying amount at 1 January 2021	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
Finance expense on lease liability for the period	17
Lease payments made during the period	(114)
Reduction in assumed lease liability	(926)
Additions	3,563
Carrying amount at 31 December 2021	3,631
Finance expense on lease liability for the period	57
Lease payments made during the period	(39)
Carrying amount at 30 June 2022	3,649
Of which are:	
Current	435
Non-current	3,214

Net finance expense on leases

	6 months ended 30/06/2022 £'000	Year ended 31/12/2021 £'000	6 months ended 30/06/2021 £'000
Finance expense on lease liability	57	35	18
Finance income on rent deposit asset	(22)	(9)	(3)
Net finance expense relating to leases	35	26	15

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 30/06/2022 £'000	Year ended 31/12/2021 £'000	6 months ended 30/06/2021 £'000
Depreciation expense on right-of-use assets	(173)	(149)	(87)
Finance expense on lease liability	(57)	(35)	(18)
Finance income on rent deposit asset	22	9	3
Net impact of leases on profit or loss	(208)	(175)	(102)

AQUIS EXCHANGE PLC

NOTES TO THE FINANCIAL STATEMENTS (continued)

The total cash outflow for leases amounted to £39k in the 6 months to 30th June 2022.

19. Cash generated from operations

	6 months ended 30/06/2022 £'000	Year ended 31/12/2021 £'000	6 months ended 30/06/2021 £'000
Profit after tax	699	4,311	1,008
Adjustments for:			
Deferred tax	-	(1,089)	-
Investment revenue	(4)	-	-
Amortisation and impairment of intangible assets	264	506	278
Depreciation of property, plant and equipment	369	519	254
Equity settled share-based payment expense	289	572	294
Other (gains)/losses	(26)	325	39
Movement in working capital:			
Increase in trade and other receivables	(986)	(2,750)	(674)
Increase in trade and other payables	461	764	16
Cash generated/ (absorbed) by operations	1,066	3,158	1,215