aquis

Report & Accounts

2023

Contents

Highlights of the year 2023

Net Revenue

£22.7m

(2022: £20.1m)

Profit Before Tax

£5.2m

(2022: £4.5m)

Basic Earnings per Share

19p

(2022: 17p)

Diluted Earnings per Share

19p

(2022: 17p)

Continuing to perform

A strong year against a challenging economic backdrop, with **double digit growth**, demonstrating the diversity and resilience of the Group.

Increasing market share

A successful change to the Aquis Markets trading rule in November resulting in a **boost to lit market volumes**.

The forefront of exchange technology

Continued interest in Aquis Technologies' pioneering exchange technology, with the division expanding to include a 24/7 matching engine, and launching **the world's first cloud-based RIE**.

UK's most successful growth market

Aquis Stock Exchange delivered an impressive 16 IPOs in 2023 despite continued adverse market conditions – making it **the most successful growth company exchange for new admissions in the UK** for the second year running.

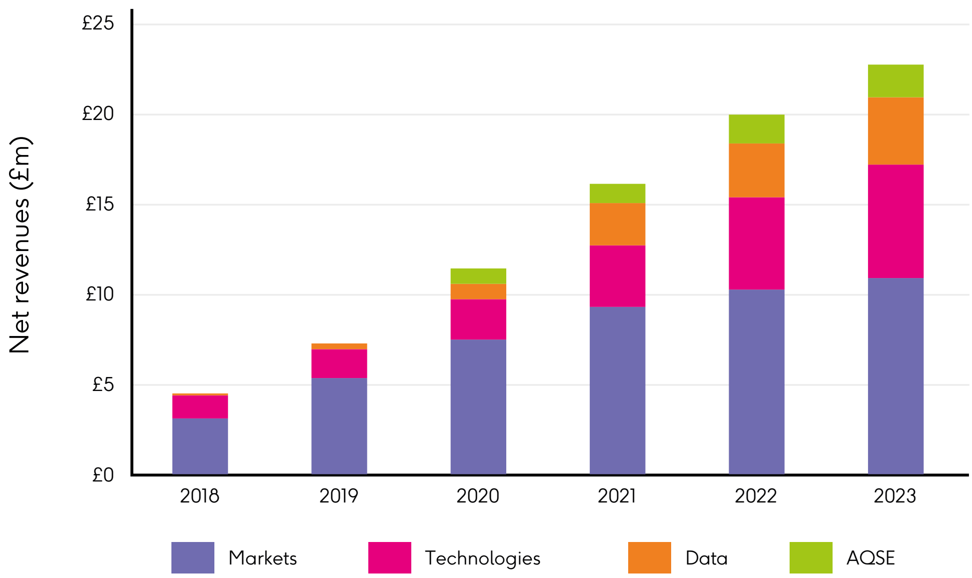
Market data grows

Further **strengthened the market data offering**.

Group at a Glance

Aquis Exchange PLC is Europe's challenger exchange, creating better markets for a modern economy.

Net Revenues since IPO



aquis markets

Aquis Markets operates lit and dark order books, covering 16 European markets. For its lit books, Aquis 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

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 Aquis 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

Aquis Technologies is the software and technology division of Aquis. It focuses on building better markets via the creation and licensing of cutting-edge, cost-effective exchange infrastructure technology and services, including matching engine and trade surveillance solutions.

aquis data

Aquis Data generates revenue from the sale of data derived from Aquis Markets and Aquis Stock Exchange.

Chairman’s Statement

Overall Group net revenue increased by 13% from £20.1m to £22.7m and profit before tax by 15% from £4.5m to £5.2m. This was a very strong performance, given the challenging economic and markets backdrop and demonstrates the value of the diversified business mix that Aquis has created.

Overview

It is with great pleasure that as Chair of Aquis Exchange PLC (AQXE) I am able to report another year of increasing revenue, profit and technology innovation.

This has been an important year for Aquis. We have become recognised for our ability to facilitate and operate better markets for a modern economy, and we have become a strong voice for competition and innovation in UK markets in particular. The Group continues to make strong progress, underpinned by continued growth in each of the Group’s four business activities: Markets, Technology, Data and the Aquis Stock Exchange. These results were particularly noteworthy given the adverse economic and markets environment which resulted primarily from significant interest rate increases through the course of the year as Western governments focussed on reducing inflation.

During 2023, net revenue increased by 13% to £22.7m and profit before tax by 15% to £5.2m. Building on 2022 performance, revenue increased further through strong contributions from the Aquis dark pool (AMP), as well as significantly increased contributions from technology licensing and market data. We continued to develop our presence in Europe and enhance client relationships within the EU 27 markets.

We undertook a comprehensive rebranding exercise which reflected how the Group has developed since its inception 10 years ago.

We have also continued to invest heavily in our technology, resulting in Aquis becoming the first recognised investment exchange (RIE) to run a cloud-based matching engine.

Board and Governance

There were no additions to the Board during 2023 and one departure as a result of the retirement of Mark Spanbroek in April 2023 after 10 years with Aquis. Mark joined the Board shortly after the Company was created and has helped guide the evolution from start-up to profitable quoted company. In anticipation of his potential retirement, during 2022 Aquis appointed Fields Wicker-Miurin as Senior Independent Director and Chair of the Nominations & Remuneration Committee and Ruth Wandhöfer as Independent Non-Executive Director and member of the Audit, Risk & Compliance Committee (ARCC) and the Aquis Europe subsidiary Board. In January 2024, Deirdre Somers joined the ARCC.

On behalf of the whole Group, I would like to thank Mark for his advice and counsel to Aquis.

In addition to Mark’s departure, in October Jonathan Clelland announced his intention to retire at the AGM in April 2024. Jonathan joined the company in 2012 when it was first created, initially as CFO & COO and more recently as CEO of AQEU, the Group’s Paris subsidiary. Jonathan has been responsible for creating and managing the Group’s financial, regulatory and administrative functions since inception and also successfully spearheaded the IPO in June 2018, as well as the acquisition of AQSE and AMP (the Aquis dark pool). We are incredibly grateful for Jonathan’s extensive work which has helped shape Aquis into the company it is today and wish him well in his retirement. Following Jonathan’s departure there will be two Executive Directors on the Board: Alasdair Haynes, CEO and Richard Fisher, CFO. There has also been a restructuring of senior management in anticipation of his departure, with David Stevens stepping up to the COO role. This streamlined Board will retain the balanced set of skills resulting from recruitment during the last three years.

Culture, Stakeholder Engagement and Section 172 Duties

The Board continued its engagement with key stakeholders, particularly focusing on employees and shareholders. This included Fields Wicker-Miurin, Chair of the Nominations and Remuneration Committee (NRC) and me consulting with shareholders in advance of the renewal of our Directors' Remuneration Policy at the 2023 AGM.

During the year I retained my responsibility as the appointed representative of the Board to liaise with employees, which provides a valuable insight into the management and development of the Group.

Environment, Social and Corporate Responsibility

From the outset, Aquis has been committed to improving the efficiency of markets through transparency and innovation. In addition, we aim to stimulate growth in the economy by listening to the needs of issuers and creating a supportive, fair and low-cost environment for capital raisers to list instruments, particularly for innovative young companies. These initiatives have wide corporate and social benefits in addition to helping to build Aquis' business.

We continue to make progress on our ESG plans by measuring our carbon footprint and have set a target to reduce our environmental impact. In addition, we continued our financial literacy community project and increased our staff engagement efforts, reflecting the continued growth of the organisation. Details of these initiatives and workplace culture award recognition are set out in the Strategic Report on p12.

We are proud that our Board in 2024 will comprise three women and five men. We will continue to build the best teams at Aquis irrespective of peoples' gender, religion, ethnicity or any other factor that is not relevant to the job in hand. We particularly like the Gender Pay Gap measure as an objective way of measuring the level of female seniority in the company. We remain committed to further improving the measure of female seniority; in 2023 this was 20% on base salary and 23% on annual bonus, an improvement on 28% and 33% respectively last year. Our target remains to be materially better than the average in UK financial services on this measure.

Our focus for the year ahead

We are confident that we have the resources and technology to support further profit growth across all our business activities and we will continue to invest in order to maintain this trajectory. We believe the Board is scaled appropriately to meet the opportunities ahead; however, we will continue to monitor closely the skills and experience of the Board to ensure that we are able to steer the business to continue to deliver on all aspects of its strategy.

Glenn Collinson
Chair

Chief Executive's Report

The Aquis Group delivered continued performance and double digit revenue growth in 2023, despite challenging market and economic conditions for all participants.

Overview

This last year has been a remarkably difficult period for markets and participants alike, with major economic headwinds throughout the year resulting in overall pan-European trading volumes significantly below those of 2022.

This makes it particularly impressive that Aquis was able to deliver growth across its divisions, with significant progress made on a number of strategic initiatives.

The overall strong performance resulted in the Group generating 13% growth in net revenue to £22.7m (calculated by including the ECL Impairment movement on Contract Asset balances - see Note 6) and a profit before tax of £5.2m in 2023 compared to a profit before tax of £4.5m in 2022. This increase provides the Group with the right platform for continued investment and further strengthening of its principal business activities.

The Group profited from growth in the Technologies division along with solid performances in pan-European secondary market trading given market conditions. The primary market activities of the Aquis Stock Exchange and data revenue progressed well. This growth demonstrates the resilience of the diversified business model that Aquis has created. In the Markets division, Aquis generated a return to an overall market share of the pan-European equities secondary market trading of over 5% through an innovative change to the proprietary trading rule on its UK and EU trading platforms. Liquidity providers on Aquis now have the option to choose if they wish to interact with aggressive non-client proprietary trading. In addition, we made a small investment in block-trading technology firm OptimX Markets, to support our planned growth in conditional order types for the Aquis Markets business.

Reflecting the increasing diversification across four business divisions, we successfully completed a rebrand during the year. The Group now consists of Aquis Markets (formerly referred to as the Aquis Exchange business), Aquis Technologies, Aquis Stock Exchange and Aquis Data.

Aquis Markets

Over the period, the secondary market multilateral trading facility ("MTF") platforms operated by the Group in London and Paris continued to grow despite challenging economic and regulatory conditions, underpinning the resilience of the subscription model. The number of trading members increased as well as some members' activity levels, leading Aquis Markets revenue to increase by 7% to £10.9m.

Overall pan-European order book volumes for equity instruments decreased by 20% vis-à-vis 2022; however, through continued development of the product suite and the change of the proprietary trading rule on its UK and EU trading platforms, Aquis maintained activity levels and increased revenues. The rule change in particular demonstrates Aquis' commitment to providing members with the greatest choice and flexibility when transacting on the MTF platform, and resulted in immediate growth in market share, with more expected post-period.

Aquis Markets continued to increase trading opportunities during 2023 offering clients the ability to trade more than 3,500 stocks and ETFs across 16 European Markets as at the end of December 2023.

Aquis Technologies

Aquis Technologies, where Aquis licenses its leading exchange related technology to a variety of international financial services clients across different asset classes, performed strongly in 2023. The division has a strong pipeline and offers material future growth opportunities. Net revenue from technology licensing in 2023 grew 22% to £6.3m, reflecting the increasing interest in our innovative, cutting-edge in-house technology.

In 2023, Aquis Technologies renewed or extended two contracts and secured two new contracts – including one for a central bank - bringing the total to nine. In addition, an existing contract moved from design and consultancy to exchange delivery stage.

Aquis Technologies achieved two notable milestones in 2023, delivering the first exchange grade 24/7 platform and becoming the first recognised investment exchange (RIE) to run a cloud-based matching engine. In addition, the division made further development progress of its technology platforms to support growth across different asset classes internationally.

Aquis Data

Data revenues increased 24% in 2023 to reach £3.7m as the Group continued to benefit from increased recognition of the quality and competitive price of Aquis market data. Data is a key pillar of the Aquis strategic plan, and we expect that it will continue to make a significant contribution to the Group in the medium-term.

In addition to the contribution data brings to the Group results, management believe in the medium-term it will increase further in importance when consolidated tapes for the UK and Europe are implemented. Implementation timetables from 2026 have been announced and it is widely recognised and accepted that introducing consolidated tapes for equities should improve the quality and pricing of market data and lead to a fairer distribution of data fees across the various European trading venues.

Aquis Stock Exchange (AQSE)

The Aquis Stock Exchange had a successful 2023, notwithstanding the extremely difficult IPO market in the UK (and wider markets).

The exchange attracted 16 IPOs during the year: the most of any growth company exchange in the UK for the second year running. The business continued its integration with the main retail investor platforms thereby ensuring access to its broad range of companies, along with further strengthening its relationships with market makers, corporate advisers and brokers.

We continue to see entrepreneurial, new-economy growth companies looking to the Aquis Stock Exchange as a public markets partner, and we expect to continue to make progress in building a competitive primary marketplace over the years to come.

There is a clear and unique opportunity to build a pan-European, technology-driven, listing exchange for growth companies, overcoming several issues faced by small and mid-cap market participants today, thereby transforming the equity market landscape.

Further Investment in Research and Development (R&D)

The Group continued to invest in R&D throughout 2023 in order to maintain and enhance the quality of our technology and its ability to deliver new products and platform enhancements to our clients. The successes that we have enjoyed during 2023 reflect the benefit of these investments.

Our proven trading platform has been developed in-house and is based on proprietary technology, which does not rely on third party software suppliers. The quality and flexibility of Aquis technology was demonstrated through the implementation of our cloud-based matching engine for the Aquis Stock Exchange and creation of the first ever exchange grade 24/7 market; two examples of the successful execution of our medium-term Group strategy.

I believe this commitment to continued investment in R&D gives us a significant competitive advantage on functionality, price and ability to deliver. The organisation of Aquis' technology department ensures expeditious product development and, together with Aquis' further investment, will allow the Group to react quickly to dynamic market conditions. We intend to continue to work on further developments which will foster future growth.

Chief Executive's Report (contd.)

Resources

During 2023 we continued to invest in personnel resources across a number of departments with headcount across the London and Paris offices increasing by 14%. We intend to further strengthen our team, particularly in support of the sales and technology activities.

We also reorganised the senior management team in November 2023 following the announcement that Jonathan Clelland will retire in April 2024. Jonathan joined the company at formation as CFO and COO. More recently and following Richard Fisher's promotion to CFO, Jonathan took on the additional role of CEO of Aquis Exchange Europe, the Group's Paris subsidiary. He has played a major role in Aquis' success and growth over the last 11 years; but I am confident that we have the right senior management team in place to carry on this positive trajectory following his departure.

Outlook

Aquis enjoyed a strong finish to 2023 with an improvement in equity markets share, technology innovations, new contracts and further investment in our key resources.

There remains some macro-economic uncertainty which may negatively impact equity markets; however, I believe that our strong team and technology platform should enable us to overcome this and any future challenges. Although it is difficult to predict with any degree of certainty the effect of these events on the broader Group, I remain confident in our unique proposition and our readiness to achieve the next level of operational, financial and strategic success.

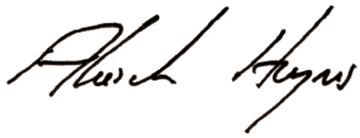
Aquis Markets has made an encouraging start to the current financial year, particularly the growth in lit market share as clients react positively to our rule change.

We are excited about the opportunities ahead for our Technologies division, following the significant central bank contract win in 2023.

Aquis has grown significantly during the last five years since we listed, underpinned by our continued investment in our business and we remain committed to continuing this investment to support the broadening of our market position through innovation and excellence. We will also continue to promote the Aquis values of transparency, fairness and simplicity, enabling our end customers to get better performance and results.

Our principal aim in the future remains to deliver robust and sustainable returns for the benefit of shareholders and all our other stakeholders in the medium and long term.

Our highly capable and experienced management team remains focused on serving our clients as we grasp the opportunities ahead and, in particular, on delivering our shared goals and technological innovations.



Alasdair Haynes
Chief Executive Officer

Strategic Report

STRATEGIC REPORT

Overview of the business

Aquis Exchange PLC ("Aquis" or "the Company"), is the principal operating company and the holding company of the Aquis exchange activities ("the Group") which operates four principal business lines: Markets, Technologies, Aquis Stock Exchange ("AQSE") and Data.

- Markets operates from London and Paris and is a pan-European Multi-Lateral Trading Facility (MTF) operator that provides secondary market trading in pan-European stocks that are listed on other exchanges.
- Technologies provides exchange and regulatory technology to third parties.
- Aquis Stock Exchange operates a primary market for small and medium size issuers and secondary market trading in those stocks.
- Data: the provision to clients of proprietorial primary and secondary market data.

The Company and AQSE are regulated by the UK Financial Conduct Authority ("FCA"), while AQEU is regulated by the Autorité de Contrôle Prudentiel et de Resolution ("ACPR") and the Autorité des Marchés Financiers ("AMF").

The Group has made significant progress in the development of its activities since the IPO in June 2018 and is well positioned to be recognised as one of the leading technology-led, international exchanges driving improved transparency and fairness in the securities trading market through the introduction and enhancement of competition and innovation. With these guiding principles the Group's main focus is to:

- Capitalise on regulatory and technical shifts in market infrastructure by providing an exchange which offers deeper liquidity and transparency together with higher quality execution for intermediaries and investors;
- Continue to increase the number of members of Aquis Markets and associated trading volumes by providing a robust and innovative platform that responds to their needs;
- License its proven technology platform to third parties that require cutting-edge trading or market surveillance technology; and
- Positively address the current market issues of large spread and low liquidity in small and mid-cap trading through AQSE's RIE status.

The trading platform for all Group entities is run on the same trading technology and Aquis Markets applies, for a significant proportion of all transactions executed, a unique subscription-based pricing model based on electronic messaging traffic for the lit market. This means that the dealing price prior to the trade is transparent to the whole market. This is in contrast to pricing on dark and grey markets, where price discovery is only available to the market post-trade. For AMP (the Aquis dark pool market), clients are charged a percentage of the value of each transaction.

During 2023, AQXE and AQEU MTFs introduced another unique trading model on their Lit order books, which gives registered liquidity providers the option to post their liquidity on a restricted or unrestricted basis. This model encourages more liquidity on Aquis' lit order books, lower waiting times for banks' passive orders to trade, and allows members to better manage the market impact of their trading. Independent studies have verified that Aquis' order books have materially lower market impact than its competitors, with fewer adverse price movements, therefore lowering the implicit costs of trading for the end investor. This is a significant positive differentiating factor.

Strategic Report (contd.)

Clients and Competitive Landscape

The client base of Aquis Markets consists, principally, of investment banks and brokers acting on behalf of institutions such as pension funds, asset managers and retail brokers to execute their orders and, in the case of AQSE, it includes the issuers who wish to raise capital on the platform.

The principal competitors to Aquis' business are the incumbent national exchanges and other pan-European trading venues.

During 2023 Aquis Markets initially experienced a reduction in market share followed by a recovery at the end of 2023 post the modification to the proprietary trading rule. This change, along with the benefits to clients of the diversified product offering following the launch of AMP, means that this business is well positioned to benefit from further product development and any future regulatory changes.

The institutional support for greater transparency in European equities trading also supports future business growth.

We are a strong supporter of the regulatory principles such as best execution and greater transparency for markets that have been introduced and we are committed to complying with market regulation. We believe that we are well placed to manage any regulatory divergence between the UK and EU given our robust and agile business model, our lean cost structure and our technology leadership. For the growth and scale-up companies on AQSE, we believe that we have the right balance of maintaining the appropriate regulatory oversight, whilst not being over-bearing. We do not operate regulation through NOMADs, preferring that the Boards of the companies have a larger role ensuring compliance with regulatory responsibilities.

Aquis Technologies' matching engine and surveillance systems have been operating successfully for a number of years. The matching engine has been developed for multi-asset class trading and is attracting customers wishing to license the technology as the trading engine for a broad range of instruments. Aquis Technologies' principal customers are new equity trading venues, introducing competition into markets where often little existed, exchanges specialising in digital assets, MTF operators across asset classes and market participants requiring real time market surveillance. During 2023, Aquis Technologies introduced two new significant innovations. On April 3rd 2023, Aquis launched Equinox, the world's first regulated market-grade 24x7 matching engine which never requires shut down or downtime. In November 2023 Aquis announced that AQSE had become the first recognised investment exchange (RIE) to run a cloud-based matching engine, enabled by Aquis proprietary technology. Competitors of Aquis Technologies are other matching engine providers and surveillance software providers.

Key Performance Indicators

As a growth company the Key Performance Indicators (KPIs) for the Group are principally (i) the continued growth in revenue (See the Table below showing Group Revenue) and also (ii) the continued growth in Profit Before Tax (PBT). In building out these KPIs significant focus is made to the key drivers of revenue and profitability. The delivery against these principal KPIs is fundamental to the success of the Group.

In support of these KPIs, the Board has established for the senior Executives clear financial and non-financial objectives for the Group. For 2023 the financial KPIs were based on target net revenue and profit before taxation. The non-financial KPIs were market share and diversification of pan-European secondary market trading, leadership and resource development, sustainability and compliance with regulations and continued good corporate governance, with clear, objective performance measurement against targets set by the Board. Financial objectives represent 70% and non-financial 30% of the targets. Further details are given in the Remuneration Report on page 60.

Financial Review

It has been a year of strong revenue growth during 2023. The breakdown of Net revenues is as follows:

	2023 (£)	2022 (£)	YoY Growth (%)
Net revenue analysed by division			
Markets	**10,919,263**	10,244,767	6.6
Technology	**6,281,934**	5,168,063	21.6
Stock Exchange	**1,771,284**	1,647,195	7.5
Market Data	**3,722,237**	3,002,986	24.0
	22,694,718	20,063,011	13.1

The Group generated a profit before taxation for the year of £5.2m compared to £4.5m in the previous year. The continued growth in profits during 2023 is primarily attributable to increased exchange revenue through the growing success of AMP and revenue growth from members' subscriptions as a result of increased trading levels, along with increased revenue from data, technology licensing and issuer fees.

Profit before tax increased 15% to £5.2m and EPS (fully diluted) increased to 19p per share. Profit before taxation is after applying amortisation charges to internally generated intangible assets, as well as depreciation and finance charges, which reflect the accounting treatment of leases under IFRS 16.

The lease liabilities arising from the Group's office leases are paid over the lease term, and attract a finance expense amounting to £103k for 2023. The associated right of use assets are depreciated on a straight-line basis over the life of the lease, and attract a depreciation charge of £383k for 2023.

The Group generated an income tax credit of £8k (2022: £157k) which was driven by an increase in net deferred tax assets by £191k (2022: £302k). This was offset by an overseas corporation tax charge of £184k (2022: £144k).

Revenue from licensing technology contracts is subject to a provision under IFRS 9 for Expected Credit Losses. For 2023 the application of IFRS 9 resulted in a net impairment provision charge of £1,016k (2022: credit £133k) recognised in the Income Statement.

The Group's cash and cash equivalents as at 31 December 2023 increased to £14.8m (2022: £14.2m) demonstrating the Group's strong cash conversion rate. Over the year the Group purchased £1.2m of treasury shares used to service employee share schemes.

Group investments, productivity and capital management

The Group continued to invest in its technology offering, including the creation and enhancement of new order types, enhancements to the surveillance system and auction systems and further technical development to enable technology clients to enter different asset classes. In addition, the Group has made further investment in personnel as it continues to develop capability and brand awareness.

In deciding its investment plans, Group management receive a detailed analysis of the exchange and client technical opportunities, and related time requirements on a quarterly basis. These are used to determine personnel and other resources requirements needed for allocation to these opportunities. This information also includes an estimate of the deployment cost.

Strategic Report (contd.)

The Board considers that its investments have contributed to the Group's ability to gain new clients, broaden its customer base and increase revenue. The Group recognises the importance of continuing to enhance productivity, and the commitment to future investment, both technically and in terms of resource training and development. The Group has established both short and long-term incentive plans based on performance for all employees, which are set out in more detail in the Report of the Nomination and Remuneration Committee and aligns the employees' interests with the long-term strategic objectives of the Group.

The Group is required to maintain sufficient capital to meet the regulatory obligations for all entities. These are calculated and updated annually. At 31 December 2023, the Company ICARA requirement (based on the 2022 published financial Annual Report and Accounts) amounted to £5.2m (2022 £4.7m) and AQSE's FRR amounted to £2.4m (2022 £2.4m). The individual entities of the Group meet the respective FCA and ACPR capital adequacy requirements with plenty of headroom for further investment in business operations.

Future development of the business

In order to support its long-term vision and in order to strategically position for continued growth, Aquis has invested significantly in its business differentiators, R&D in the technology platform, brand and personnel resources. The Group is cognisant of the importance of such investments to maintain innovation and strong quality delivery.

Aquis Stock Exchange

During 2023, the Group has continued to invest in AQSE, building market presence and brand whilst also benefitting from synergies across the Group's exchange memberships, data offering and use of technology.

Compliance with Section 172 (1) of the Companies Act 2006

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. As such, Section 172 requires a Director to have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long-term
- Interests of the Company's employees
- Need to foster the Company's business relationships with suppliers, customers and others
- Impact of the Company's operations on the community and environment
- Desirability of the company maintaining a reputation for high standards of business conduct; and
- Need to act fairly between all members of the company

We set out below some examples of how the Directors have had regard to the matters set out in Section 172(1) when discharging their Section 172 duty and the effect of that on certain of the decisions taken by them.

Stakeholder Management

The Group complies with the requirements prescribed by Section 414CZA of the Companies Act to disclose how the Company promotes its success for the benefit of all stakeholders.

The Board is acutely aware that the Group's long-term success and sustainable value creation is critically reliant on maintaining good relations with all stakeholders and ensuring that decisions are made after taking account of the principal stakeholders' interests.

In arriving at these decisions, the Board has assessed the likely consequences of any decision in the long term, the interests of the Group's employees, the need to foster the Group's business relationships with suppliers, customers and others, the impact of the Group's operations on the broader community, the desirability of the Group maintaining a reputation for high standards of business conduct, and the need to act fairly between shareholders of the Company.

Details on how Aquis and its Board engage with its principal stakeholders, are given below.

Clients

Management proactively gathers regular feedback from clients, both positive and negative, in order to understand their ever-evolving needs, identify any improvements that would result in better client outcomes or satisfaction and to foster good client relations. This is regularly fed to the Board at meetings or on an ad hoc basis, if required.

Shareholders

Executive Management meet with the key shareholders at appropriate times during the year and provide feedback to the Board.

Additionally, the Chair and other Non-Executive Directors continued, where possible, to engage with shareholders through one-on-one meetings. Shareholders have been extremely appreciative of these meetings and feedback is provided to the Board in both written and verbal updates.

Employees

The Group promotes a positive and inclusive culture. Team meetings and Group briefings are held on a regular basis to ensure all personnel are informed of the Group's performance and key strategic objectives and goals. Throughout the year Glenn Collinson has acted as the Board's nominated representative for employee engagement and facilitated meetings with employees to ensure that their voices are heard by an independent ear on the Board.

This was complemented mid-2023 by the introduction of a monthly employee engagement pulse survey, which allowed employees to provide feedback in confidence. These survey results were consistently positive. The Executive develops an action plan to address the key areas highlighted with particular emphasis on our core values, listed later in this report, and on investing further in employee training and career development.

Suppliers

The Group has identified key suppliers that include suppliers of office hardware and consumables, as well as suppliers such as liquidity providers and advisers such as auditors, brokers, recruitment agents, legal advisers and PR consultants. The Group seeks the independent and experienced view of its key advisers on various matters as and when required. Sometimes this is directly with the Board, or the Board will ensure that the Executive reports on advice provided to the Group when needed.

Regulators

The Group takes an open and co-operative approach with its regulators and positively embraces the FCA's 11 principles of business. The Group submits regular returns to the FCA, the ACPR and the AMF, and employees whose roles encompass compliance activities are encouraged to attend regular external presentations and workshops arranged by the regulators on topical issues and receive regular professional update training. All new and existing employees and advisers are made aware of the FCA, ACPR and AMF's principles of business, and undergo training required by finance professionals working at an equities exchange group. The Group arranges regular compliance assessments to provide assurance that the Group is meeting the requirements of the regulator.

Board Effectiveness and High Standards of Business Conduct

The Board remains committed to high standards of corporate and regulatory governance. During the year, the Board explored how to improve the Group's cyber security risk management frameworks and became more informed about the policy-making environment for financial markets in Europe.

Consequences of Long-Term Decisions

Considerable time was spent focusing on the Group's strategy and management were challenged to think about the longer-term impact of decisions, how those decisions were in line with the Group's values, the long-term sustainability of the Company and its subsidiaries and the desire to maintain its reputation.

The Board and its Committees have also further evolved during the year. Jonathan Clelland, COO, is scheduled to retire in April 2024 and his UK and French responsibilities are in the process of being assumed by Richard Fisher, CFO, David Stevens, COO, and other members of the management team. In addition, Deirdre Somers joined the Audit Committee during the year.

In order to ensure that the Group has the required skills and experience to effectively manage the business and anticipate future changes, the Board operates a skills matrix to map the requirements of the organisation against the current skills and composition of the Group.

Management plan to recruit additional employees, in particular in the technology area in the UK and France during 2024.

Strategic Report (contd.)

The Interests of Employees

The impact of COVID-19 continued to decrease over 2023; however the Board continued to monitor the day-to-day operations, the business continuity plans and the employees' well-being carefully throughout the year. This included work from home issues and the office environment.

The Board has also ensured engagement with employees through the engagement survey and the nomination of a Board representative to meet with employees when possible.

Our Purpose

In its role as a disruptor, Aquis' aim has always been to improve financial markets by maintaining the utmost transparency and least market toxicity for the benefit of the end investor. In this way it reduces both the explicit and implicit costs of trading that are borne by investors.

In addition, the Group is also focused on stimulating growth in the economy by listening to the needs of issuers and creating a supportive, fair and low-cost environment for capital raisers to list instruments, particularly for innovative growth companies while ensuring an appropriate balance of investor protection.

Our Culture, Diversity and Employee Well-being

The Group is committed to ethical business conduct and expects the highest standards of integrity to be followed by the Directors and all employees. The Aquis Group culture is underpinned by the following core values:

- Trust (integrity, competence and deliver when we say we will);
- Proactivity (discipline and initiative);
- Openness (transparency);
- Excellence (through creativity and innovation);
- Collaboration (through positive, collegiate and free thinking); and
- Respect.

Despite a further increase in employee numbers in 2023 the Group has a relatively small resource base, and therefore has concentrated on recruiting personnel with a high degree of specialist skills. The Group provides on going training and support with the aim of ensuring that personnel retain and enhance their technical skills and that employees feel that there is opportunity to develop within the Group. The Group also operates a flexible working policy to ensure it takes account of individual employee requirements.

Aquis has a supportive and inclusive culture throughout the whole workforce. We believe it is in the best interests of the Company and the wider community to promote diversity and eliminate discrimination in the workplace. Our aim is to ensure that all employees and job applicants are given equal opportunity and that our organisation is representative of all sections of society. Each employee will be respected and valued and able to give their best as a result.

The policy reinforces our commitment to providing equality and fairness to all in our employment and not providing less favourable facilities or treatment on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, ethnic origin, colour, nationality, national origin, religion or belief, or sex and sexual orientation.

We are opposed to all forms of unlawful and unfair discrimination. All employees, management, agency, casual workers, and independent contractors no matter whether they are part-time, full-time, or temporary, will be treated fairly and with respect. When Aquis selects candidates for employment, promotion, training, or any other benefit, it will be on the basis of their aptitude and ability. All employees will be given help and encouragement to develop their full potential and utilise their unique talents with the aim that the skills and resources of our organisation will be effectively utilised, and we will maximise the efficiency of our whole workforce.

Aquis' commitments are:

- To create an environment in which individual differences and the contributions of all team members are recognised and valued;
- To create a working environment that promotes dignity and respect for every employee;
- To not tolerate any form of intimidation, bullying, or harassment, and to discipline those that breach this policy;
- To make training, development, and progression opportunities available to all staff;
- To promote equality in the workplace;
- To encourage anyone who feels they have been subject to discrimination to raise their concerns so we can apply corrective measures;
- To encourage employees to treat everyone with dignity and respect; and
- To regularly review all our employment practices and procedures so that fairness is maintained at all times.

Aquis has implemented an equality, diversity and inclusion policy which has been communicated to all employees emphasising that they are obligated to comply with all its requirements and promote fairness in the workplace. This policy is also drawn to the attention of agents, stakeholders, customers and job applicants. It is therefore very pleasing to report that gender and non-gender diversity strengthened further during the course of the year and we believe our diversity and inclusion policies will have a positive impact on the successful execution of the Group strategy.

In 2021 the Group established aspirational 3-year diversity targets for the Board and for the employees. These targets were established to underpin the importance the Board places on this issue and to provide clear guidance and focus on these aspirations.

The targets and progress are outlined below:

1. **Reduce the gender (seniority) pay gap to 25% (salary) – below the UK Financial Services industry average (which for 2023 is 27.9%)**
   On track: In 2023, the gender (seniority) pay gap was 20% on base salary and 23% on base salary plus annual bonus. This is an improvement on 2022 (28% and 33%) and on base year 2021 (41% and 44%).
2. **Increase the management team diversity ratio**
   On track: Progress towards the target made in 2023 following the promotions of two senior staff to ExCo. Management intends to further improve on this metric in 2024.
3. **Meet the Hampton Alexander Review target of at least 33% of board members being female**
   Achieved: The overall female NED ratio will stand at 37.5% after the 2024 AGM
4. **Create a targeted diversity inclusive supplementary development program for employees who we believe have the potential to be promoted to Exco in the next 5 years**
   On track: Management has identified a number of current employees for the ExCo pipeline and development initiatives are in place. This pipeline meets diversity targets.

The Group runs an annual anonymous employee survey and arranges regular meetings with the Board nominated employee representative. In addition, employees have regular one-to-one sessions with their immediate line manager and annual reviews where development plans are discussed to ensure individuals' objectives are aligned to the business strategy and to improve levels of employee engagement.

The Group has a commitment to preventing slavery and human trafficking by ensuring our supply agreements comply with the Modern Slavery Act 2015 ("MSA") with zero tolerance for failings.

Strategic Report (contd.)

STRATEGIC REPORT

Consumption and The Environment

It is a key objective of Aquis Exchange PLC to be able to understand and reduce its own impact on the environment. In 2023, Aquis underwent a voluntary carbon footprint assessment, using ESGmark® to help us calculate, report and reduce our carbon emissions. The sources that were measured for 2023 were:

Scope 1: Fuel consumption (gas office heating in London premises)

Scope 2: Electricity consumption in London premises

Scope 3: Electricity usage from purchased data centre services, Well-To-Tank components of fuel and electricity consumption in London premises

The carbon footprint assessment found that Aquis Exchange PLC emitted a total of 497 tonnes of CO2e (tCO2e) in 2023, or 7.4 tCO2e per FTE, using the market-based emissions approach.

We continue to evaluate our partners with respect to our value chain carbon footprint. For example, the choice to use data centres with a 100% renewable supply has reduced market-based emissions by 26% against the UK residual fuel mix.

In 2023, Aquis Stock Exchange became the first major regulated exchange to become cloud-based. While most major financial exchanges operate using physical data centres, the infrastructure required to run a trading environment is not beneficial to the environment because of the fact that servers must always be "on" and significant duplicative processing occurs. If trading firms could leverage all the benefits of running a cloud-based solution, the cost optimisation, scalability and resiliency would make a positive contribution to reducing the impact on the environment.

Our objectives for 2024 are to:

- Move towards renewable energy sources to reduce Scope 2 emissions
- Increase measurement of Scope 3 activities to provide a more complete evaluation of our carbon footprint and opportunities for reduction.

Governance

When Aquis listed in 2018, it voluntarily chose to follow the highest standards of corporate governance when it committed to adhering to the UK Corporate Governance Code and the Directors have implemented appropriate measures which have allowed Aquis to comply with all provisions of the Code during the accounting period and up to the date of this report.

Aquis and AQSE are directly authorised and regulated by the FCA and AQEU is regulated by the ACPR and the AMF. The Group fully complies with the relevant rules and guidelines in all respects and monitors that compliance throughout the year.

The Group's objective is to establish an open and cooperative relationship with all regulators, and it positively embraces the FCA's 11 principles of business. The Group submits regular returns to the FCA, and employees whose roles encompass compliance activities are encouraged to attend regular external presentations and workshops arranged by the FCA on topical issues, and also receive regular professional update training. All new and existing employees and advisers are made aware of the FCA's principles of business, and undergo training required by finance professionals working at an equities exchange group. The Group arranges regular compliance assessments to provide assurance that the Group is meeting the requirements of the regulator.

The wider community

Aquis has been involved in a number of charitable and community enhancing initiatives in the year. In 2023, Aquis has continued the partnership with Ravens Wood School in Bromley to spearhead an 'Investment Club' scheme with A-Level Economics and Business students. Aimed at increasing financial literacy and accessibility, students received tailored talks and presentations from members of Aquis staff on aspects of the financial services industry, public markets and career advice. Students then created their own mock-up AQSE universe portfolios with an imaginary starting value of £50,000 using an app developed by Aquis fed with real price data. Aquis intends to continue with and expand this programme in future. Aquis also participated in the London Youth Rowing Race the Thames project and employees have shown their desire to make a difference.

Knowledge Transfer Project

Aquis has made significant progress with the University of Derby partnership: a two-thirds government funded Knowledge Transfer Project ("KTP") that involves industry led research and development on Artificial Intelligence for trading platform surveillance alerts to develop an efficient and accurate market abuse monitoring system.

Current surveillance systems are deterministic, handcrafted, generate a high percentage of false positive alerts and run a high risk of human fatigue and/or boredom. Consequently, market abuse events may often be missed when analysing a large number of false positives. As part of our mission to improve transparency in financial markets, this partnership will publish research papers on machine learning techniques that will mitigate human error in detecting fraudulent trading practices that harm the integrity of, and trust in, financial systems that are critical for the modern economy.

As part of our mandate to strive for innovation, we are excited for what the future holds for machine learning and artificial intelligence in the trading industry and are encouraged by the widespread support for this project.

Next Steps in Our ESG Journey

During the strategic planning process, we assessed a number of potential ESG initiatives Our short-term goal is to complete the assessment of the sustainability risk factors of the Group's day-to-day activities and translate them into a meaningful Group-wide ESG strategy that can be woven into our main strategic goals.

In addition, during 2024 we aim to:

- Develop a formal ESG policy;
- Set formal short, medium and longer term non-financial goals on material ESG topics that are directly relevant to our business;
- Introduce a first round of formal initiatives to reduce ESG impact and manage ESG risk;
- Complete a carbon footprint assessment for the Group; and
- Undertake an initial assessment of potential broader ESG initiatives that may have a positive impact on the wider community through the Group's role as a primary exchange.

Strategic Report (contd.)

Principal risks and uncertainties

The identification and management of risk is an integral part of the execution of Aquis' strategic vision and operations. The below provides an overview of the principal risks facing the Group:

Risk	Economic landscape
Risk Description	There is a risk the credit worthiness of historically financially robust institutions comprising the customer base of AQXE might increase the credit risk of the parent company. Equally, a second order exposure is possible for other customers who maintain deposits with insolvent banks. Examples of this include in March 2023 when there were signs of stress in the banking sector with the default of Silicon Valley Bank and the acquisition of Credit Suisse by UBS. The Economic landscape was negatively affected during 2023 by a number of adverse events e.g. the increase in interest rates, Palestine and the continued conflict in Ukraine. The speed of recovery may negatively affect the Group's trading volumes resulting in lower revenues or increased costs.
Mitigation	Aquis derives revenues from both fee and contractual annuity-based streams, which is less impacted by cyclical market driven trends. The numerous international conflicts continue to cause immeasurable suffering and harm but it is not expected to have a material adverse effect on the Group's trading volumes. Pan-European trading is now executed almost 100% by the Group's MTF subsidiary in France, AQEU, that has full regulatory approval from the ACPR to allow the Group to continue to operate as an MTF and it is anticipated that this will remain the case for the foreseeable future. The Directors review our customer base to check these entities are not directly exposed to insolvent credit institutions. Additionally, swift regulatory intervention by the authorities is likely to occur and limit the fallout from these types of events.

Risk	Legal/Regulation
Risk Description	The Group operates highly regulated entities, including three MTFs and an RIE and is required to maintain sufficient regulatory capital and comply with relevant legal and regulatory requirements necessary to operate the Group's business. All three Group entities must hold regulatory licences and independent capital minimum. There is the risk that current regulation or future changes could have an adverse effect on the Group. Possible impacts may be (but are not limited to): • Sustained downturn in revenues could put regulatory capital at risk; • One of the Group's entities could be subject to a fine or a lawsuit which may draw on the entity's finances; • Change in regulation may increase costs for the Group or require unanticipated investments; and • Inability to meet regulatory requirements could result in a licence being withdrawn and prevent the Group entity from operating its core business. In addition, changes in tax law may result in an increase in the overall tax burden of the Group which could have a materially adverse effect on cash reserves.
Mitigation	Senior management consistently monitor regulatory developments including the MiFID review and Wholesale Markets Review, and any required steps are actioned at Audit Risk and Compliance Committee (ARCC) meetings. Senior management also engage directly with regulators on a regular basis including, where appropriate, formal responses to consultation documents. The Board reviews a quarterly dashboard that incorporates the Group's behaviour and statistics in relation to regulatory obligations. The Board also places considerable importance on having competent staff and advisors to help manage legal and regulatory risk. The Board considers regulators as key stakeholders and endeavours to maintain positive working relationships with the regulators for each group entity. Each member of the Group currently has sufficient excess regulatory capital to deal with any unanticipated changes in regulation. Changes in regulation are usually accompanied by a period of consultation that allows market participants to provide feedback before changes are made and a further period to prepare for change once changes in regulation are determined. The Group consistently reviews the risks associated with possible changes in tax legislation.

Strategic Report (contd.)

Risk	Competition
Risk Description	The Group operates in a highly competitive global industry. The principal competitors to the trading business are the national exchanges, other pan-European MTFs/Recognised Investment Exchanges (RIEs) which currently charge customers mainly on a per transaction model. These exchanges have significant market share and could move to copy Aquis' subscription fee model. Other competitors to the exchange business are ad hoc OTC trading and Systematic Internalisers ("SIs") which operate off-exchange models and make money through spreads. Additionally, the emergence of new asset classes might reduce the Group's competitiveness.
Mitigation	Aquis' competitive differentiation is underpinned by its subscription-based model and member choice around aggressive trading. This is hard for incumbent exchanges to replicate without significantly impacting their own revenue models which have always been based on a per transaction basis and on charging significant data fees to participants. Senior management initiatives to reduce this risk include: consistent monitoring of competitor activity and, maintaining close customer relationships so as to understand their evolving needs, and the acquisition of a primary listing business thereby gaining RIE status. New asset classes continue to evolve/emerge but have yet to make a real impact on equities trading, clearing custodian services and settlement of equities; however, Aquis will continue to closely monitor new market developments.

Risk	Intellectual property and data protection
Risk Description	The Group is reliant on copyright, trade secret protection, database rights and confidentiality and licence agreements with its employees, clients and others to protect its intellectual property rights. The Group is subject to a number of laws relating to privacy and data protection, including the UK's Data Protection Act 1988 and the Privacy and Electronic Communications (EC Directive) Regulations 2003 and the EU General Data Protection Regulation (GDPR).
Mitigation	The Group has taken steps that are consistent with industry practice to reduce these risks by establishing controls to protect the confidentiality and integrity of customer information, and these controls are consistently reviewed for their effectiveness at quarterly ARCC meetings.

Risk	Technology
Risk Description	The operation of the Group is critically reliant on the smooth and efficient functioning of technology. Technological failures would negatively affect clients and the Group's ability to deliver on performance obligations. It could also result in regulatory scrutiny or fines or requirements for further investment. Failure to protect the Aquis technology could mean that competitors get access to Aquis' Intellectual Property (IP) or make Aquis susceptible to external infiltration. These risks could adversely affect the firm's financial and competitive situation.
Mitigation	A defining feature of the Aquis business model is its high calibre, in-house technology. The technology was built and is maintained by highly skilled employees. Aquis actively seeks to retain the employees through flexible attractive working practices and remuneration policies and to continually enhance the technology to meet client requirements. The Group's key infrastructure, development and operational activities are prioritised accordingly, and resources are closely and consistently monitored and reviewed with the aim to ensure smooth functioning of technology at all times. Aquis technology is securely maintained to protect it from unauthorised access with full back up and version control if remediation is required. Aquis has system control features that are regularly tested to protect data and IP. The Group maintains a Disaster Recovery plan that encompasses input from all departments and is continuously monitored and reviewed by appropriately experienced individuals. The comprehensive back up and contingency plans in place are tested regularly. The Board reviews a quarterly dashboard that incorporates technology performance statistics and operational resilience.

Strategic Report (contd.)

Risk	Cyber security
Risk Description	The Group's networks and those of its third-party service providers may be vulnerable to security risks, cyber-attack or other leakage of sensitive data. Potential outcomes of such an attack might include outages of the market, attacks which seek to hold Aquis to ransom, unintended movements of the company finances or generally create reputational and financial risk.
Mitigation	The Board reviews a quarterly dashboard that incorporates cyber technology monitoring. Regular penetration tests are undertaken by a third party with the results reviewed by the ARCC and Board and all employees undertake cyber-training. Internal exercises to alert employees to the possibility of phishing emails are held regularly. The MTF has "kill" switches in place which are intended to restrict clients if rogue behaviour is evidenced. The Group takes precautions to protect data in accordance with applicable laws. Extensive risk management protocols are adopted in the IT control framework so as to prevent, detect and respond proactively to cyber security attacks. The comprehensive back up and contingency plans in place are tested regularly.

Risk	Key management personnel and employees
Risk Description	The Group has a relatively low headcount and hence is exposed to key person risk. The Group's future development and prospects depend on its capacity to attract and retain key personnel.
Mitigation	The Group has established emergency staffing plans for Senior Executives. The NRC reviews immediate and medium term succession plans and the ARCC assesses key person risk. Aquis employs a number of strategies to ensure the Group is able to attract and retain a high calibre of talent. The Group employs a rigorous recruitment process and offers competitive salaries and benefits and employee share option schemes, whilst promoting a culture of diversity, high performance and inclusion from the top. The Group continues to demonstrate its ability to recruit high-quality individuals and is clearly viewed as a dynamic and attractive employer.

Risk	Client concentration
Risk Description	The nature of equity financial markets is that the majority of pan-European secondary market trading volumes are undertaken by a small pool of market participants. This risk has been increased as some of the smaller market participants have decided to route via larger banks that maintain direct exchange memberships. The Group revenue is therefore dependent on a concentrated number of customers and significant change to a customer's flow could negatively impact revenues.
Mitigation	The Group continues to broaden its client base to reduce client concentration but recognises that volumes from smaller participants are not likely in aggregate to be as large. The Group has offset some of the risk of industry concentration through the quality of the MTF exchange offering and the strengthening of the product offering. The Group seeks to maintain positive relationships with all current and future members of its MTF exchange and to be vigilant for change at any client. The Group has diversified its business activities to include primary markets, technology sales, data and market gateways.

Strategic Report (contd.)

STRATEGIC REPORT

Risk	Liquidity provision concentration – Aquis Markets
Risk Description	In most trading venues globally, there is considerable symbiosis between the venue and the liquidity providers on which the venues rely to make continuous prices and enhance liquidity. In Europe, where there is significant competition between a limited number of trading venues, the ability to attract significant liquidity to the venue is critical. The barriers to entry are even higher for new trading venues, which must build liquidity from scratch and differentiate themselves to attract and retain it. Market makers themselves have differing business models and trading strategies; as a result, they may be attracted to different types of venues depending on the value proposition. Banks also provide liquidity on the Aquis platform but historically this has not been as significant as the market makers. Aquis has a highly differentiated business model for its pan-European secondary market trading activities compared to the incumbent platforms, both dramatically reducing the cost of trading and also permitting market makers to decide if they wish to interact with aggressive trading from other market makers. This differentiated and flexible approach has been a driver of Aquis' success to date. The number of market makers that have trading models currently aligned with Aquis' business philosophy is even more concentrated than on the main markets. Therefore, Aquis has always relied heavily on a small number of key market makers to support liquidity and a wider group to supplement it. These market makers have not always been the same organisations and have changed over time. Nonetheless, it is a risk that if a key market maker decides to change its business model or philosophy it would cause a short-term disruption in the total liquidity provided.
Mitigation	This risk is mitigated internally through a number of actions including those set out below, and externally through the likely evolution of the structure of the European equity market. Internally, management maintain a close relationship with its market makers to ensure that there continues to be positive synergies for all parties. Aquis has been successful during 2023 and will continue to actively seek to grow membership and diversify its liquidity providers. Following the change to the proprietary trading rule in November 2023 Aquis noted a dilution of the concentration risk away from a small number of liquidity providers to a broader set of investor flows. Externally, the market share growth that Aquis has achieved to date is a strong indication of the benefits to its members and liquidity providers and makes it likely that natural liquidity will continue to grow, making the Aquis marketplace deeper and more attractive for all counterparties. Additional liquidity providers are likely to follow over time as they should be incentivised to adapt or create new models that capitalise on Aquis' value proposition and interaction with a wider set of trading flows. The number of liquidity providers in European equity markets is still relatively small today, reflecting the continued need to invest in technology and regulatory oversight. However, the Group's innovative offerings will continue to counter this risk.

Risk	Liquidity Provision Concentration – AQSE
Risk Description	A relatively small population of market makers support AQSE with similar risks to those identified above with regard to potential short-term impact if one or more market makers were to change their business model or approach.
Mitigation	The number of market makers active on AQSE has and is anticipated to increase as the number of companies and reputation of the exchange continues to improve.

Risk	Supplier risk
Risk Description	The Group is exposed to the failure of a key supplier. Examples include loss of data supplied to Aquis which is an important input into the trading platform. This may impact the ability to undertake market surveillance.
Mitigation	Aquis has back up plans in place for key suppliers and has agreed procedures and thresholds in place for managing this if necessary.

Strategic Report (contd.)

Financial risks

The Group's current assets comprise cash and liquid resources including trade receivables arising directly from its operations. The main financial risks are capital, credit, liquidity and foreign currency risks. The Group has approved FX hedging policies in place and as at 31 December 2023 actively managed the balance sheet and risks with the use of financial derivatives. A significant % of revenues remain GBP denominated whilst the Group enters into forward FX trades as appropriate and will continue to do so in the future where any further contracts are non-GBP denominated.

The Group has continued to increase its profits during 2023 demonstrating that it has been able to manage strategic and operational risks; however, future results could be negatively impacted if any of the risks outlined above were to occur. Financial risk management disclosures have been made in Note 5 of the Group Financial Statements accompanying this report.

Viability statement

The Directors have undertaken a detailed review of the Group's prospects, taking account of the Group's current position and principal underlying business risks and its prospects for the period January 2024 – December 2026. These include considering the impact during 2023 and potential future impact due to macro-economic crises and/or military conflicts. The Directors consider this to be an appropriate period considering the target business and revenue growth, and the objective to maintain and enhance profitability during this period.

The Group maintains a strong equity capital position which has been strengthened during 2023 as profitability has been enhanced. This is complemented by the Group achieving and in certain areas exceeding its goals. Taking into account its ability to execute its principal objectives during continued challenging circumstances, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment.

This assessment has concentrated in particular on the key differentiating factors that the Group has established, the quality and resiliency of the Group's technology, the brand and market position, and the reputation, quality and experience of its key personnel.

This Strategic Report was approved by the Board of Directors on 20 March 2024 and is signed on its behalf by:

Alasdair Haynes
Chief Executive Officer

Richard Fisher
Chief Financial Officer

Directors' Report

The Directors of Aquis Exchange PLC are delighted to present their report to shareholders and other stakeholders, together with the audited consolidated financial statements for the year ended 31 December 2023 with comparatives for the year ended 31 December 2022.

The Group consists of 3 regulated entities: AQXE, AQEU and AQSE, which holds a UK Recognised Investment Exchange Licence (RIE), that allows it to offer primary listings as well as secondary markets trading. All three entities require appropriate independent Board governance.

Aquis complies with the FCA's Senior Management and Certification Regime (SM&CR), which ensures that the identified individuals; namely the Chair, CEO, CFO and Head of Regulation have clearly prescribed assigned governance responsibilities.

The Board discharged its Section 172 (1) duties in a number of ways, details of which are set out on p16 and include significant time focusing on strategy for the Group, as well as considering employees well-being during another very challenging year in order to improve the Board's effectiveness and maintain high standards of conduct.

Board of Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

Executive Directors

Alasdair Haynes, CEO
Appointed to the Board March 2012

Richard Fisher, CFO
Appointed to the Board March 2022

Jonathan Clelland, Special Adviser
Appointed to the Board October 2012
Will retire from the Board April 2024

Non-executive Directors

Glenn Collinson, Chair
Re-appointed to the Board September 2021
Re-elected annually; last at the 2023 AGM

Fields Wicker-Miurin, Senior Independent Non-Executive Director
Appointed to the Board March 2022
Re-elected annually; last at the 2023 AGM

Mark Spanbroek
Appointed to the Board March 2013
Resigned from the Board April 2023

Mark Goodliffe
Appointed to the Board March 2018
Re-elected annually; last at the 2023 AGM

David Vaillant
Appointed to the Board June 2020
Re-elected annually; last at the 2023 AGM

Deirdre Somers
Appointed to the Board October 2020
Re-elected annually; last at the 2023 AGM

Ruth Wandhöfer
Appointed to the Board March 2022
Re-elected annually; last at the 2023 AGM

Directors' Appointment, Removal and Duties

The Board of Directors has the authority to appoint and remove a Director. Directors' appointments are subject to shareholder approval annually.

The Company has recruited Directors that it considers have the knowledge, skills and diversity of experience expected of a director in that role including specialist financial, accounting and legal knowledge.

Directors have continued to act, throughout the year, in the way which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of all its stakeholders.

The Directors recognise that they must avoid any situation where they have or can have an interest that directly or indirectly conflicts with or may conflict with the Group's interests. Directors are required to confirm at every Board meeting, if applicable, the nature and extent of any interest they may have in any transaction or arrangement to which the Group is or may be a party.

In addition, the Directors have exercised independent judgement throughout the year and can confirm that they have not accepted any benefit (for example gifts or inducements) from third parties arising from their position as a director which were intended to induce the director to act in a certain way.

Board Committees

The Board has established two committees: the Audit, Risk and Compliance Committee ("ARCC") and the Nominations and Remuneration Committee ("NRC").

Audit, Risk and Compliance Committee ("ARCC")

The ARCC has been chaired by Mark Goodliffe since June 2018. Ruth Wandhöfer was a member of the committee throughout 2023 and Mark Spanbroek was a member of the committee until his retirement in April 2023. Deirdre Somers joined the committee in January 2024. Mark Goodliffe, Ruth Wandhöfer and Deirdre Somers have considerable accounting, risk and compliance experience, and have previous Audit Committee experience which includes financial reporting and internal control reviews.

The ARCC is responsible for reviewing a wide range of matters, including reviewing the annual financial statements, oversight of the relationship with the external auditor, internal audit reports, compliance submissions, MLRO reports, risk assessments and ICARA/ICAAP assessments. A summary review of the ARCC's activities is presented to the Board by the chair of the ARCC on a quarterly basis and minutes are made available to the Board.

The management team is responsible for ensuring the "right tone at the top" and that the ethical and compliance commitments of management and employees are understood and adhered to throughout the Group. The ARCC supports and provides guidance on this area. This is achieved through adherence to the Group's core values, annual compliance training and whistleblowing policy.

The ARCC meets at least four times per year. The ARCC advises the Board on the appointment of external auditors and on their remuneration for the audit work, and discusses the nature, scope and results of the audit with the external auditors.

The ARCC has established a comprehensive assessment of the internal and external risks which could adversely affect the Group and actively assesses the potential impact and mitigating factors, if applicable. These risks are reviewed quarterly by the ARCC.

Nominations and Remuneration Committee ("NRC")

The NRC is chaired by the Senior Independent Director Fields Wicker-Miurin. The other members of the NRC throughout the year were Glenn Collinson and Deirdre Somers. The Executive Directors and other senior personnel may be invited to attend meetings when appropriate to provide advice.

The NRC is responsible, inter alia, for assessing the skills of the Directors, succession planning for all Group Boards, its Committees and Executive Committee, identifying and selecting candidates as required as well as assessing and reviewing the remuneration packages of the Directors and other members of the Executive Committee. It also reviews the high-level remuneration packages for all other employees. It makes proposals for the granting of share options and other equity incentives pursuant to any share option scheme or equity incentive scheme in operation from time to time. All Committee decisions on these matters are recommended to the Board for approval.

A summary review of the NRC's activities is presented to the Board by the chair of the NRC on a quarterly basis.

The remuneration and terms and conditions of appointment of the Non-Executive Directors of the Company are set by the Board after recommendation by the NRC.

The NRC supports the ongoing development of the Group Boards and the Executive team to ensure that the Group retains and recruits the best talent for its needs and supports the Board of the Company in its work to secure the long-term health of the Group and its strategy for success in a fast-changing world.

The remuneration of the Executive Directors is designed to attract, motivate and retain Directors of the calibre necessary to execute effectively the strategic objectives of the Group and to enhance shareholder return. The remuneration packages are designed to reflect the success of the Group's performance while maintaining a balance between short- and long-term performance and reward.

Executive Committee ("ExCo")

In addition to the two Board committees, Aquis has created an Executive Committee (ExCo) to help facilitate day-to-day administration management. ExCo consists of the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Special Adviser, Chief Strategy Officer, General Counsel, Chief Regulatory Officer, Head of Marketing & Investor Relations and Chief Operating Officer AQEU.

Governance Summary

Directors' Board and Committee attendance during 2023 is summarised below:

Director	Board	ARCC	NRC
Glenn Collinson	7/7		8/8
Alasdair Haynes	7/7		
Richard Fisher	7/7		
Jonathan Clelland	7/7		
Fields Wicker-Miurin	7/7		6/8
Mark Spanbroek	3/3	3/3	
Mark Goodliffe	7/7	6/6	
David Vaillant	6/7		
Deirdre Somers	7/7		8/8
Ruth Wandhöfer	7/7	6/6	

Results

The Group made a profit before tax of £5.2m (2022: profit before tax of £4.5m).

An income tax credit of £8k (2022: £157k) was recognised, representing a £191k (2022: £302k) increase in the deferred tax asset to £1,785k (2022: £1,594k), which was offset by an overseas tax charge of £184k (2022: £144k)

Group contract assets (net of ECL provisions) have increased to £8.5m (2022: £6.1m), primarily reflecting the signature of two new technology licence contracts in the year.

The Group invested £1.2m (2022: £2.0m) into the Employee Based Trusts. These are recognised as Treasury Shares in the Group consolidated results and as Investment in Trusts by the Company.

There were no discontinued operations in the current or previous year.

Dividend

The Directors do not recommend the payment of a dividend.

Future developments

The Group has continued to make progress in both its MTF exchange and data activities during 2023 with growth in revenue, numbers of clients and client pipeline despite an extremely challenging market environment. This expansion supported by the increasingly comprehensive suite of products for its clients underpins the potential for new customers as the trading opportunities on the Aquis Markets become more widely recognised, as does the opportunity for increased trading volumes. Several banks/brokers who are focused on the market micro-structure and best execution have continued to increase their activities on Aquis Exchange and it is anticipated that others will follow during 2024.

With a proven business model and further potential improvements in the economic landscape, the Board considers that it is important to continue to invest to support the long-term success of the business. The Group intends to further invest in technology resources in London and Paris during 2024 and thereafter, to take advantage of the scope for significant long-term sales and value creation for shareholders.

Directors' Report (contd.)

Licensing activities continue to grow across a range of asset classes as the Group's brand and reputation strengthens, and regulatory changes generate new requirements for investment banks, brokers and trading companies. In addition, the continued growth in the Group's exchange activities helps promote the quality of the technology and assists in generating technology licensing opportunities internationally and across different asset classes through Aquis Technologies.

Significant progress was made with the primary market activity of the Aquis Group during 2023 including 16 IPOs during the year, the most of any growth company exchange in the UK for the second year running. The Group is confident that this activity will be further enhanced during 2024 and thereafter.

Directors' indemnity

The Directors can confirm that as at 31st December 2023 there were no qualifying third-party indemnity provisions or qualifying pension scheme indemnity provisions, for the benefit of Directors of the Group or directors of associated companies and that such provisions were not in force during the financial year.

Political contributions

The Directors can confirm that no political contributions, financial or otherwise, were made during the year.

Post balance sheet events

The Directors can confirm that there were no significant post-balance sheet events.

Research and development

The Group is committed to continue to invest in research and development to enhance the quality, efficiency, effectiveness and breadth of its technology. The Group has made significant progress through the course of the year including the creation of a fully integrated 24/7 cloud- based market.

In addition, the Group, through Aquis Technologies, has delivered and/or been mandated to deliver, technology solutions to clients across a number of different asset classes. This progress reflects the quality and market reputation of the Group's technology which is underpinned by the significant investment in research and development.

Subsidiary companies / Associates / Branches outside the UK

The Company has one subsidiary company in France: Aquis Exchange Europe SAS (AQEU). This subsidiary company operates an MTF and is regulated by the Autorité de Contrôle Prudentiel et de Résolution (ACPR) since March 2019. Aquis does not have any other subsidiaries, associate companies or branches outside the UK.

Share Capital Structure

Aquis Exchange PLC is dual listed on Aquis Stock Exchange and the AIM market of the London Stock Exchange. The Company has 27,516,781 ordinary shares of 10p each in issue (31st December 2022: 27,509,448). During the year the Company acquired 331,179 (2022: 481,301) of its own shares with a nominal value of £33,178 (2022: £48,130) for consideration of £1,215,243 (2022: £1,952,325). These shares were acquired for the Employee Benefit Trusts operated by the company (further details in Note 21 to financial statements).

The shareholders with a significant holding (more than 3.0%) in Aquis as at 31st December 2023 were as follows:

XTX Markets	9.5%
Mr. G Roveda	9.3%
Mr. R Ricci	7.8%
Schroder Investment Management	7.2%
Canaccord Genuity Wealth Management	5.4%
Kendall Capital Markets	5.0%
Mr. A Haynes	4.9%
J O Hambro	4.0%
Rathbone Investment Management	3.4%
Barclays Wealth	3.1%
JTC EBT	3.1%

At 31st December 2023 there were no securities carrying special rights and no restrictions on voting rights. At 31st December 2023, 1,943,605 shares representing 7.1% of the total issued share capital was held by the Directors.

The Company operates an Employee Share Incentive Plan (SIP), Enterprise Management Incentive plan (EMI), Company Share Option plan (CSOP), Restricted Share Plan (RSP) and an Executive Share Option Plan (PPO). The voting rights of the shares held in the trust relating to the SIP, EMI, CSOP, RSP and PPO are managed and controlled by the trustee.

Other than the Executive Directors' participation in long term incentive plans, full details of which including change of control provisions are included in the Directors' Remuneration Report on page 44, there are no significant agreements that would alter or terminate on a change of control of the Company and no agreements with Directors or employees for compensation for the loss of office or employment that occurs because of a successful takeover of the Company.

Shareholder return

Aquis shareholders' return for 2023 amounts to (39.7%) compared to the AIM index of the London Stock Exchange which had a return for the same period of (31.7%). Aquis shareholders' return since 14th June 2018 amounts to 41.3% compared to the AIM index of the London Stock Exchange which had a return for the same period of (24.8%).

Aquis Shareholder Return
14 June 2018 - 31 December 2023

Professional development programs

The Company supports the continued development of the Directors. This is achieved primarily through attendance at external conferences and seminars and in-house presentations. It also runs technical and management development training programs for employees.

Corporate Governance

The Board continued to apply the UK Corporate Governance Code (the "Code") recommendations on stakeholder engagement during the year. It focused on active interaction with stakeholders, information on which is set out in further detail in the Strategic Report, Nomination and Remuneration Committee Report, and Directors' Report.

The Directors have implemented appropriate measures, as stated in the Strategic Report to comply, so far as practicable, with the Code, and can confirm that the Group has complied with the Code throughout the financial year ended 31 December 2023 and to the date of this report.

Employees

Details on the Company's approach to employee engagement and human rights and diversity is given in the Strategic report on page 13, and information on the Share Incentive Plan (SIP) can be found in the NRC report.

Diversity policy

The Group has adopted a Diversity and Inclusion policy which is set out in more detail in the Strategic report on pages 18 to 19.

Environment

The Directors recognise the broader Group's responsibility to consume resources in a manner that ensures the long- term sustainability of the business and the environments in which it operates.

Although the Group has a relatively small resource base and associated office space, the Group recognises that it creates carbon emissions from energy, waste and water in its offices as well the data centres, staff travel and indirectly through the supply of our office hardware.

Details of the initiatives that the Group has adopted in its efforts to reduce the impact of this carbon footprint is included in the Strategic Report on page 20.

Directors’ Report (contd.)

Principal risks and uncertainties and risk management policies and objectives

The principal risks and uncertainties of the Group, together with mitigating actions taken, are detailed in the Strategic Report from page 22.

In addition, the financial risk management disclosures have been included in Note 5 in the Group Financial Statements accompanying this report.

Financial reporting process – internal control and risk management systems

The Group has established review processes, internal controls and risk management systems in relation to the financial reporting process, which are formally set out within the Group’s Internal Control Framework and Risk Management Framework.

Aquis has recruited a Board with the relevant financial and other complementary skills to exercise oversight over the reporting, assessment and use of the Group’s financial information and to provide robust challenge to management. The principal committee which oversees this area is the ARCC.

The exchange transaction and credit risk levels for Aquis Markets customers are considered low given that the majority of the clients are large financially secure financial institutions who are invoiced monthly; however, in order to ensure that Aquis reviews and manages the business risks effectively, management maintain a risk register which addresses all the identified business risks which is reviewed and assessed by the ARCC on a quarterly basis. The majority of Aquis Technologies clients are less established businesses and are therefore monitored on an individual basis. For AQSE there are a larger number of clients, but of much smaller scale and credit risk is closely monitored on both a collective and individual basis.

The financial statements are subject to external audit before being reviewed and approved by the Board prior to shareholder approval.

Aquis prepares monthly management accounts which are presented to the Board. The management accounts consist of actual monthly profits or losses compared with Budget, Balance Sheet, variance commentary and forecast, regulatory capital surplus and cash flow for the rest of the calendar year.

All new exchange members, software licences and data subscribers are authorised by the Chief Financial Officer (CFO) or Chief Operating Officer (COO). New exchange members or clients of Aquis Technologies are subject to Know Your Clients (KYC) and Anti-Money Laundering (AML) checks by the Aquis compliance department. All software licences are reviewed and approved by the CFO or COO. All expenditure and client invoices are authorised by the CFO.

Aquis utilises an external provider for the internal audit function. The ARCC approves the departments and functions that are audited. All key operational departments and/or functions are audited within a 3-year period.

Any issues raised by the external audit team will be communicated to, considered by and logged by the ARCC. The external and internal audit team are granted access to ARCC and Board papers and any issues identified by the external audit team will be communicated to the internal auditors by the CFO.

Aquis has established a Disaster Recovery crisis team and clear Disaster Recovery plans which are tested regularly. The plans focus on the exchange functionality and Aquis’ ability to ensure trading activities can continue under any circumstances and providing support as required for the ability to access all systems including Aquis’ financial systems.

Access to IT networks, equipment, storage media and program documentation is restricted to authorised individuals. All Aquis information is stored in secure dedicated data centres. Access to the data centres is restricted. All information is password controlled and the IT infrastructure department monitor system usage. Access to IT systems, programs, master data, transaction data and parameters and to processing in web-based or web-enabled financial systems is restricted and password controlled.

Aquis has clearly defined whistleblowing policies which are set out in the Staff Handbook which is distributed to all employees when they join the Group. The whistleblowing policies are also included in the compliance training program which all employees undertake annually. These policies include escalation of problems and concerns to senior management and the monitoring of how these are addressed. The policies provide clear guidance on reporting concerns including if required to the Chair. Alternatively, employees can report concerns directly to the Financial Conduct Authority (FCA).

Statement of Directors' Responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and Company financial statements in accordance with UK-adopted accounting standards and the Companies Act 2006.

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRS as issued by the International Accounting Standards Board (IASB) have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The Directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

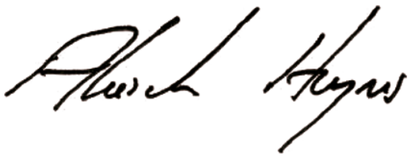
Directors' confirmations

The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's and Company's position and performance, business model and strategy.

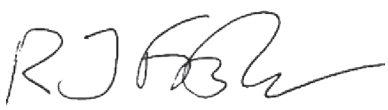
In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

The Directors' Report was approved by the Board of Directors on 20 March 2024 and is signed on its behalf by:



Alasdair Haynes
Chief Executive Officer



Richard Fisher
Chief Financial Officer

Audit, Risk and Compliance Committee Report

This report is intended to give an overview of the role and activities of the Audit, Risk and Compliance Committee ("ARCC") in assisting the Board to fulfil its oversight responsibilities relating to systems of internal control and risk management, the independence and effectiveness of the external auditor and the integrity of the Group's financial statements. It details the activities, discussions and decisions that enabled the ARCC to fulfil its responsibilities effectively during the financial year ended 31st December 2023.

Composition and meetings

The ARCC members as at 31 December 2023 were Mark Goodliffe and Ruth Wandhöfer. Mark Spanbroek was a member of ARCC until he retired on 27 April 2023. In January 2024 Deirdre Somers, a Non-Executive Director of Aquis Exchange PLC since October 2020 joined the ARCC. The ARCC has been chaired by Mark Goodliffe, a qualified chartered accountant (ICAEW) and independent non-executive director, since June 2018. The Group considers that the ARCC members' qualifications and experience enable it to comply with the audit committee composition requirements.

The Chair, Chief Executive Officer, Chief Financial Officer, Finance Manager, Group Head of Regulatory Affairs, Group Head of Surveillance and Group Financial Accountant are standing invitees to all ARCC meetings.

The role and responsibilities of the ARCC

The ARCC was created in 2013 and the Terms of Reference ("ToR") of the ARCC follows the UK Corporate Governance Code and FRC guidance. The Board undertakes an annual evaluation of the ToR which includes an assessment of the ARCC performance.

The principal role and responsibilities of the ARCC are:

- Financial reporting: review of the financial statements and oversight of the relationship with the external auditors and the external audit process;
- Internal audit: monitoring and reviewing the effectiveness of the Group's internal auditors and internal controls, including planning over a 3-year period the internal audit schedule and annual audit reviews;
- Risk assessment: quarterly risk assessment assessing all internal and external business risks and mitigation thereof; and
- Compliance: quarterly compliance review.

2023 Activities

The ARCC maintains a formal agenda which ensures that all matters for which the Committee is responsible are considered at each meeting. The agenda for each meeting during 2023 was determined by the key events of the annual financial reporting cycle, the risks identified by the Committee and the standing items under the ToR.

Following the external audit tender process in 2021 and the decision to appoint Mazars LLP the ARCC has concentrated on building an effective working relationship with the external auditor, including monitoring their independence and effectiveness and has reviewed the scope of the external audit and agreed the key areas of focus. Mazars will not provide non-audit services to the Group except for the Client Money and Custody Asset Assurance Report (CASS) audit. The Mazars audit partner for the current audit is Pauline Pélissier.

In addition to maintaining the relationship with the external auditor, the ARCC discharged its responsibilities by/through the following:

- Monitoring the approach and verification of the procedures and controls of the implementation of a new accounting ledger system;
- The Group appointed Grant Thornton as its internal auditor in 2013. The ARCC reviewed all the 2023 internal audit reports in detail and when circumstances allowed, met Grant Thornton to assess the quality and effectiveness of the internal audit process and management responses to the internal audit recommendations;
- Reviewed and monitored the principal internal and external business risks and associated mitigative management actions on a quarterly basis. This process included analysing and assessing emerging risks as well as monitoring existing previously identified risks;
- Completed a comprehensive assessment and review of all accounting policies with particular emphasis on areas of judgement and estimates to ensure that they remain appropriate as the Group continues to grow;
- Assessed the annual ICARA;
- Considered operational risks, cybersecurity risks and technology resilience. This included an annual review of the effectiveness of risk management and internal control systems; and
- Reviewed and monitored compliance, surveillance and regulation developments on a quarterly basis.

Priorities for the 2024 financial year will include:

- Continued monitoring of key processes such as business continuity planning and risk assessment, disaster recovery and cybersecurity monitoring programmes;
- Monitoring the quality and effectiveness of the support services provided to AQEU and AQSE across all departments;
- Monitoring the progress of any management actions recommended by Mazars within their letter to Those Charged with Governance;
- Continuing to assess the impact of developments in accounting standards and the related implementation;
- Continuing to monitor compliance, surveillance and regulatory developments, including any UK/EU regulatory divergence and the implications of it on the business; and;
- Continuing to monitor progress on the key projects of the Group.

Board of Directors and Management Team

Glenn Collinson
Independent Non-Executive Chairman

Glenn first joined the Aquis Exchange PLC Board in March 2019 before transferring to the Board of Aquis Stock Exchange Limited ("AQSE") in March 2020. Glenn re-joined the Group's Board on 17 September 2021 as an independent non-executive director (INED).

Glenn started his career at Racal and worked for Motorola, Texas Instruments and Cambridge Consultants Ltd. before co-founding Cambridge Silicon Radio in 1998. There he served as an executive director and helped grow the company from a concept to a $3 billion market capitalisation entity in 2006 (as CSR PLC) and one of the biggest players in the Bluetooth market. Since leaving CSR he has held a number of non-executive directorships in UK and French companies - both public and private - that specialise in technology. He is a member of the Institute of Engineering and Technology and holds an MSc in Electronics from Durham University as well as an MBA from Cranfield University.

Alasdair Haynes
Chief Executive Officer

Alasdair Haynes is the Chief Executive Officer ("CEO") of Aquis Exchange PLC. He founded the business in 2012 after identifying the opportunity for providing a high-quality equities exchange differentiated from all other exchanges through the introduction of a subscription pricing model. Prior to founding Aquis, Alasdair was CEO of Chi-X Europe. Alasdair, as CEO, is responsible for the overall strategic development of Aquis and has been instrumental in the expansion and strong organic growth of the Company.

Jonathan Clelland
Special Adviser

Jonathan Clelland is the Special Adviser to Aquis Exchange PLC and CEO of Aquis Exchange Europe SAS. Jonathan joined Aquis in 2012 when the Company was started and held a number of senior roles including CFO and COO. Prior to joining Aquis, Jonathan was the COO of Shearman & Sterling (London) LLP and COO of HSBC Bank plc Corporate Finance and Advisory Division.

Richard Fisher
Chief Financial Officer

Richard is the Chief Financial Officer ("CFO") of Aquis Exchange PLC. He joined the Board in March 2022 and also attends the Company's ARCC and Nominations and Remuneration Committees.

Prior to joining Aquis he was the Director of Finance at Redwood Bank and has also been the Chief Accountant at RBS among other senior roles at the firm.

Fields Wicker-Miurin
Senior Independent Non-Executive Director

Fields Wicker-Miurin OBE, joined the Board in March 2022 as an INED. She is the Senior Independent Non-executive Director and chairs the Nominations and Remuneration Committee. Fields has a distinguished career with over 40 years' experience as an executive and non-executive director in financial services, including serving as CFO of the London Stock Exchange (1994-7), and serving on the board of BNP Paribas (the eurozone's largest bank) for 12 years. Fields currently serves on the board of Scor se (a leading global reinsurance company) where she chairs the remuneration committee. She is also Deputy Chair of the Royal College of Art & Design.

Mark Goodliffe
Independent Non-Executive Director

Mark is a Non-Executive Director of the Company and Chairman of the ARCC, and also holds both roles for the Aquis Stock Exchange. He joined the Board in March 2018. Mark is the co-founder of the Cracking the Cryptic YouTube channel and was an independent Non-Executive Director and Chairman of the Audit Committee of both CME (Europe) Limited and CME Trade Repository Limited.

Deirdre Somers
Independent Non-Executive Director

Deirdre joined the Board in October 2020 and sits on the Company's Audit, Risk and Compliance and Nomination and Remuneration Committees. She is a stock market expert having served as the CEO of the Irish Stock Exchange from 2007 to 2018 and the President of FESE between 2015 and 2018. She is currently a NED and audit committee member of BlackRock iShares and Episode plc; NED of Enfusion Inc; NED and audit committee chair of Kenmare Resources plc and Chair of Cancer Trials Ireland. She is a Member/Fellow of the Institute of Chartered Accountants in Ireland since 1991.

Board of Directors and Management Team

David Vaillant
Independent Non-Executive Director

David is a Non-Executive Director of Aquis Exchange PLC and Chairman of Aquis Exchange Europe SAS (since September 2019). He joined the board in June 2020. David is the Global Head of Finance, Strategy and Participation, and CEO for France at BNP Paribas Asset Management. He started his career as a lawyer with Skadden, before joining the French Central Bank. He then held several positions at BNP Paribas CIB/Corporate Finance, notably Head of Banking for Europe, Middle East and Africa. David is also the Chairman of International Woodland Company Holding A/S, and of Gambit Financial Solutions, as well as a board member of Baroda BNP Paribas Asset Management India Private Limited.

Dr Ruth Wandhöfer
Independent Non-Executive Director

Ruth joined the Board in March 2022 as an INED and also sits on the Company's Audit, Risk and Compliance Committee and the board of its Aquis Exchange subsidiary.

Ruth has significant financial services, technology and regulatory experience. Following a senior executive career at Citi, she has served on a number of Boards as an INED including the London Stock Exchange Group, Digital Identity Net, Gresham Technologies and currently PTSB in Ireland. She held the Chair position of the Payment Systems Regulator Statutory Panel from 2020 to 2023, is an author, public speaker and a Visiting Professor at Bayes Business School (formerly CASS).

Philip Olm
Company Secretary

Philip Olm is the Company Secretary and General Counsel of the Company. He joined Aquis in March 2020.

Prior to joining Aquis he acted as in-house counsel for a US based derivatives exchange and has many years of experience as an equity capital markets lawyer gained at UK and international law firms.

STRATEGIC REPORT

Nomination & Remuneration Committee Report

The Board has brought together the responsibilities of both nominations and remuneration matters in one committee to ensure Aquis is in a strong position to attract, motivate and retain the best talent for the Group in a competitive and dynamic environment. The Board recognizes that Group performance depends on both individual and team contributions. Its approach is to encourage and reward sustainable financial performance, innovation and growth in shareholder value over the longer term.

The Board has delegated authority to the Nomination and Remuneration Committee (NRC) to prepare proposals to the Board on key matters relating to nomination and governance topics, and all director-level remuneration topics. The Senior Independent Director is the Chair of the Nominations and Remuneration Committee. All members of the NRC are independent. The NRC is advised by an independent external remuneration consultancy and has the authority to commission external expertise whenever required.

Within its Nomination remit, the NRC ensures that the Board has the right composition of skills, expertise and diversity in its directors and is the right size to conduct its responsibilities effectively. The NRC reviews the composition and remits of Board committees (Audit, Risk & Compliance, and the NRC). It makes proposals to the Board for any desired changes in composition or remit and keeps under review succession planning. The NRC also supports the boards of the subsidiary companies (AQSE and AQEU) in their composition assessments to ensure they are well-equipped to fulfil their roles. Regarding executive nomination matters, the NRC has sight over the development and performance of both the Executive Directors (EDs) and the members of the Executive Committee. It keeps under review further talent development and succession planning.

More broadly, the NRC reviews the development of talent throughout the company, keeps a watching brief on employee engagement, learning, development and well-being as well as diversity and inclusion. The Committee regularly invites the Head of Human Resources to present matters regarding Aquis employees. Reflecting its interest in talent development, the NRC is consulted on senior appointments across the businesses and in particular appointments to the Executive Committee.

The Board is committed to equality and diversity throughout the Group and seeks to attract and retain a diverse and talented workforce through appropriate recruitment and selection processes and through monthly monitoring and communication of the actions resulting from the regular Pulse surveys. During 2023 Glenn Collinson acted as the Board employee representative. The Group has a Diversity and Inclusion policy which is set out in more detail in the Strategic Report on pages 18 to 19.

The Group uses specialist recruitment agencies for all recruitment opportunities for the Board and employees. There were no additions to the Board or subsidiary companies during 2023. Roles are also advertised on the Aquis website and the NRC provides oversight to ensure that the recruitment process is aligned to Aquis' policies on equality and diversity.

In fulfilling its Remuneration responsibilities, the NRC makes proposals to the Board regarding the Group's remuneration philosophy, principles and policy as they apply to both Executive and Non-Executive Directors. In particular, the NRC reviews and makes proposals to the Board regarding the EDs in relation to 1) the structure of their total remuneration packages; 2) the levels of their fixed salaries and any related benefits (e.g. pensions and health insurance); 3) their performance objectives for their annual bonus; 4) the assessment of their performance and their resulting annual bonus; and 5) their long-term incentive plans, including any Aquis share or option awards under the plans.

As part of its role to set performance objectives and then to review performance outcomes, the NRC receives input from the Audit, Risk and Compliance Committee with regard to financial outcomes, compliance with regulations and ensuring that objectives and rewards do not create risk outside of the Group risk appetite.

The NRC also reviews the structure of remuneration throughout the Group to assure itself that the principles applied are consistent with the philosophy and principles of remuneration applied to the Executive Directors.

In addition, the NRC reviews and makes proposals to the Board on the remuneration structure and levels of fees for Non-Executive Directors (NEDs).

Directors' Nomination and Remuneration Report

Annual Statement

Dear Shareholder,

I am pleased to present, on behalf of the Board of Directors as Chair of the NRC, the Directors' Remuneration Report for the year ended 31 December 2023. This report is set out in three sections and includes:

I. this Annual Statement which sets out a summary of the work of the NRC and the key decisions taken in 2023 and for the year ahead;

II. our Directors' Remuneration Policy ('Policy') which sets out the framework within which our executive directors are compensated; and

III. the Annual Report on Remuneration which sets out details of the payments and awards made to the Directors for FY2023 and summarises how we intend to operate our Policy in FY2024.

We will present a single remuneration-related resolution covering the whole Directors' Remuneration Report at the 2024 AGM. This resolution will be subject to an advisory shareholder vote.

Business context – summary of the year

Aquis performed strongly in 2023: net revenues increased by 13% in the year to £22.7m (2022: £20.1m) and PBT increased by 15% to £5.2m (2022: £4.5). This growth was across all divisions, and in particular Aquis Technologies.

Significant strategic milestones were also achieved in the year: AQSE became the first recognised investment exchange (RIE) to run a cloud-based matching engine and Aquis Markets successfully modified the aggressive proprietary trading rule.

In addition, Aquis' relevant market share of IPOs grew in a challenging capital markets environment, and the pipeline for the future remains strong.

Board changes

During 2023 the only change to the Aquis PLC board was the scheduled retirement of Mark Spanbroek at the April 2023 AGM. Mark joined Aquis in March 2013 shortly after it was founded and made a major contribution to the growth of the company during the last 10 years. Over his time as a Board Director, Mark shared generously his knowledge of European capital markets, trading and regulatory environments. We are delighted he is still lending his expertise to Aquis through his role on the Markets Advisory Panel.

In November 2023 we announced that Jonathan Clelland will retire from the Board at the 2024 AGM. Jonathan joined Aquis in 2012 and played an essential role in creating and building the Aquis of today. Since 2012, Jonathan held the roles of Group CFO (until 2021) and COO (until 2023). He was CEO of Aquis Exchange Europe from 2021-2023. While no one can replace Jonathan, the Executive has implemented thorough succession plans that re-allocate Jonathan's responsibilities and roles to members of the Executive Committee.

Upon his retirement as an Executive Director, Jonathan will be eligible for a bonus for the part of the year he was employed as an Executive Director. His previous share awards will vest up until the date of his stepping down from his Executive Director role and he will not be granted any further share awards in 2024.

We are delighted that Jonathan has agreed to continue on as an advisor to the Group, with a focus on corporate finance activities. We look forward to continuing to work with Jonathan in his new capacity. It is not intended to appoint an additional Executive Director to the Board in Jonathan's place.

2023 Incentive Outcomes

The Committee applied the Executive Directors' Remuneration Policy consistently for the year 2023 when considering the remuneration outcomes for the three Executive Directors, Alasdair Haynes, CEO, Jonathan Clelland, COO/Special Adviser and Richard Fisher, CFO. The structure of remuneration for Executive Directors was amended in 2023 vis-à-vis previous years as set out in last year's report. The 2023 policy maintains the overarching objectives of a simple and transparent structure comprising salary, modest benefits, workforce-aligned pension, a single long-term incentive plan and, subject to stretching performance conditions, an annual bonus.

Variable pay is subject to withholding and recovery provisions, a post-vesting holding period operates for our long-term incentives and significant share ownership guidelines apply. These features enhance the alignment of interest between our executive directors and shareholders and contribute to an appropriate level of risk mitigation.

For 2023, in determining the amount of the discretionary cash bonus to be awarded to each Executive Director, the NRC evaluated the Executive Directors' performance against the financial, strategic and individual performance objectives agreed at the beginning of 2023. For 2023 these objectives were based on Group revenue (49%), Group profit before tax (21%) and Group strategic, non-financial objectives (20%) and individual objectives (10%). Measurable environmental and social objectives are included within the strategic and individual objectives scorecard. The targets in relation to these objectives were set after detailed scrutiny and approval of the 2023 budget, and following discussion within the Committee and at the Board.

Furthermore, a minimum level of profit before tax must be achieved as an underpin before any payment can be made against the financial element of the Annual Cash Bonus Plan.

The Group delivered a strong financial performance in 2023. Performance against the non-financial, strategic and individual objectives set for each of the three Executive Directors was also strong. In total, this resulted in bonuses of 44% of maximum (equivalent to 41% of salary) for the Executive Directors. The Committee believes this is an appropriate outcome and reflects the strong performance of the Group during the financial year. More details are included in the report on p61.

Awards to the Executive Directors of restricted shares under the Aquis Exchange Omnibus Share Plan granted in June 2020 vested in June 2023. The vesting of these awards was subject to certain financial and strategic underpinning conditions measured over 1 January 2020 to 31 December 2022. The NRC reviewed performance against the underpins and determined that all of the thresholds had been achieved and the awards would therefore vest in full. Details on the number of these awards vesting in 2023 are contained on p66.

Further details of the structure of the 2023 Executive Directors' Annual Cash Bonus Plan are included in the Annual Report on Remuneration, page 60.

Directors' Nomination and Remuneration Report (contd)

Executive Director Remuneration in 2024

Fixed salaries

After an updated benchmarking exercise, and consultation with a wide range of shareholders, the NRC proposed to increase the overall base salaries of the Executive Directors by no more than the average increase in base salaries for employees, or 9.0%. This moves to re-establish a higher CEO-CFO differential, whilst constraining raise for the Executive Directors to the same range as other employees.

2024 Annual Cash Bonus

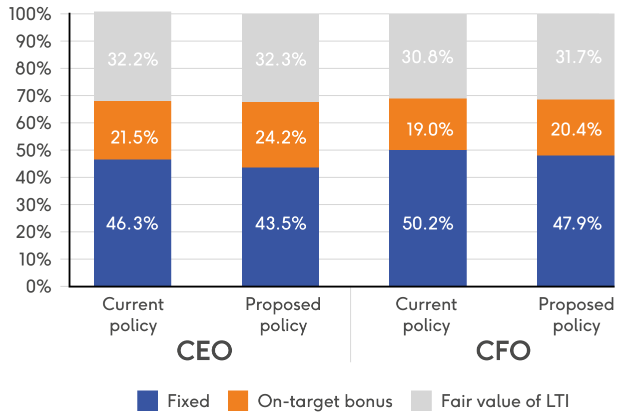
It is proposed that the structure and maximum opportunities of the 2024 Executive Director annual cash bonus remain unchanged. In line with the NRC's focus on increasing the variable element of reward, the NRC has proposed to increase the target percentage reward of the CEO from 50% to 60%, and to increase the target percentage reward for both the CFO and Special Adviser from 40% to 45%.

2024 Long Term Incentive award

In April 2023 Aquis implemented a new long-term incentive plan, the Aquis Exchange Executive Share Option Plan (AEESOP). The plan allows for awards of premium priced options (PPOs).

The AEESOP replaces the award of restricted shares governed by the Aquis Exchange Omnibus Share Plan which was in place for the period 2020 to 2022. The AEESOP introduced a new, more leveraged award vehicle linked more directly to incentivising superior share price growth.

In 2024, we are proposing to increase the reward for the CEO from 75% to 80% of salary, and to increase the reward for the CFO from 65% to 70% of salary. This increases the variable proportion of remuneration for the Executive Directors with a focus on long-term share price appreciation, in line with our shareholders' interests. There is no proposed award of PPOs for the Special Adviser.



Awards of PPOs will be made to members of the executive committee and senior team to ensure alignment. The PPOs will vest after three years and awards will have an exercise price set at 25% above the 1 month average share price at the date of grant. Vested PPO awards will be net settled on exercise using shares previously bought by the Employee Benefit Trust in the market. All discretionary awards granted by the Company will remain subject to the prevailing 10% in 10 years' dilution limit which limits the use of new issue shares to satisfy share awards.

The Fair Value of the PPO award on vesting has been included in the single figure of total remuneration for FY2023 (see p61).

Discretion

In addition to reviewing performance against the specific targets set under the annual bonus and long-term incentive arrangements, the NRC takes into account the context of the underlying performance of the business and the experience of our stakeholders. The NRC was satisfied that the overall results reflected the strong performance of the Group and of the Executive Directors and therefore no discretion was used to adjust the formulaic outcomes under the incentive arrangements.

Non-Executive Director remuneration framework

The Board have approved the implementation of a new share based payment plan with the intention that all NEDs will over time hold shares equal to at least 30% of their fee.

Remuneration Policy review

The 2023 remuneration report was approved by shareholders with 100% of votes cast in favour of the remuneration-related resolution at the 2023 AGM. The NRC believes the policy is more appropriate for the Group and is grateful for the support received.

The Group's philosophy and underlying principles regarding remuneration remain the same:

1. Keep it simple and uncluttered;
2. Be transparent to shareholders and the workforce;
3. Have performance objectives that reflect the Group's financial performance, strategic objectives and build a healthy culture;
4. Reward out-performance and do not pay for under-performance;
5. Be competitive mainly through long-term share and options plans to reward longer-term performance; and
6. Everyone is a shareholder.

These principles continue to inform the design and implementation of the Directors' Remuneration Policy.

Shareholder Engagement

During 1Q2024, Glenn Collinson and I met with major shareholders to update them on our Remuneration Policy. This also offered the opportunity to cover a variety of other topics. We will continue to seek opportunities for further engagement with our shareholders on remuneration and other issues going forwards.

Finally, I would like to thank our shareholders for your continued support as we seek to motivate, retain and reward the executive directors for their achievements in driving performance at Aquis.

Fields Wicker-Miurin
Nomination and Remuneration Committee Chair

20 March 2024

Remuneration at a Glance

Our pay principles

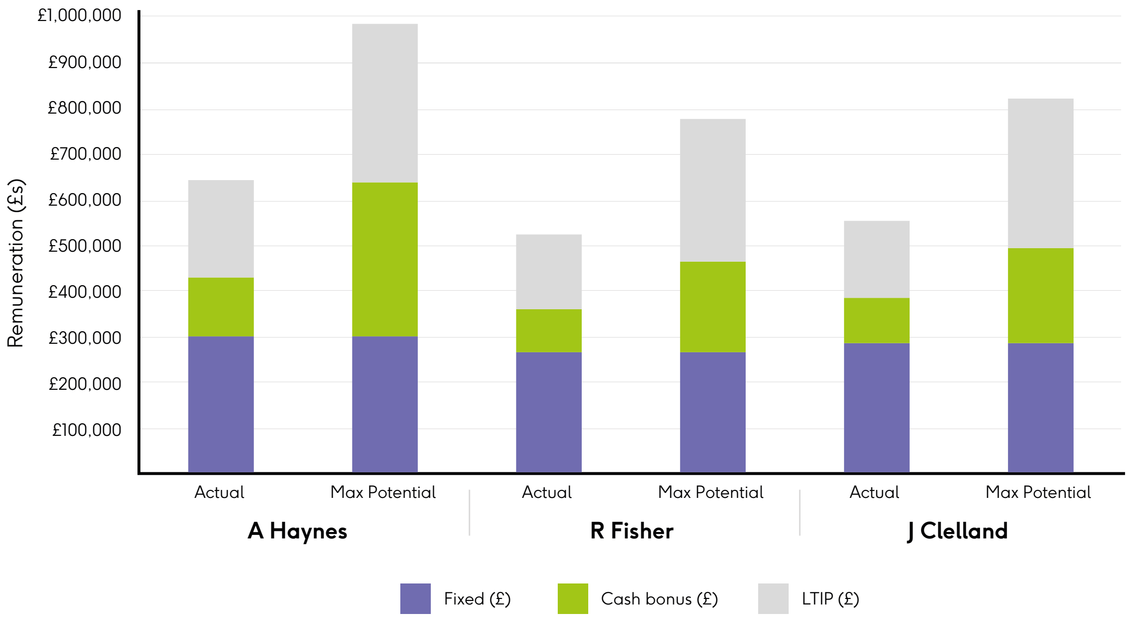
- Clear, simple and transparent
- Meritocratic, performance related and linked to our KPIs
- Aligned with the interests of shareholders and other stakeholders and with our culture
- Reward outperformance and do not pay for underperformance
- Competitive but not excessive
- Culture of share ownership across the company

Implementation of our policy in 2024

Fixed pay	Salary	• CEO – £310,000 (increased by 10.7%, from 1 Jan 2024) • CFO – £267,500 (increased by 7%, from 1 Jan 2024) • Special Adviser – £278,992 (increased by 6%, from 1 Jan 2024) effective until retirement at 2024 AGM, after which the Special Adviser ceases to be an Executive Director.
	Pension	• 5% of salary (in line with contribution levels for the workforce)
	Benefits	• Medical and life insurance
Annual Bonus	Maximum	• CEO – 120% of salary • CFO – 80% of salary • Special Adviser – 80% of salary pro-rata until retirement
	On-target	• CEO – 60% of salary (2023: 50%) • CFO – 45% of salary (2023: 40%) • Special Adviser – 45% of salary pro-rata until retirement (2023: 40%)
	Performance measures	• Revenue (49%) • Profit before tax (21%) • Key strategic objectives (30%)
	Operation	• Recovery and withholding provisions operate
Long-term incentive	Award vehicle	• Premium priced options
	Award level	• CEO – Fair Value of 80% of salary (equivalent to 80% of salary restricted share award in fair value terms) (2023: 75%) • CFO – Fair Value of 70% of salary (equivalent to 70% of salary restricted for the share award in fair value terms) (2023: 65%)
	Performance measures	• Exercise price set to at least a 25% premium to the share price at grant
	Operation	• Vests after three years • Two-year additional holding period applies to vested awards • Recovery and withholding provisions apply
Share ownership guidelines	In-employment guideline	• 200% of salary (Executive Directors) • 30% of salary (Non Executive Directors)
	Current shareholding: 31.12.23	• CEO 1777% of salary • CFO 9% of salary (newly appointed as CFO in 2022) • Special Adviser 775% of salary

Implementation of our policy in 2023

2023 remuneration outcomes versus policy maximum



2023 annual bonus outcome

Aquis Executive Directors 2023 Cash Bonus % of salary

		Revenue (%)	Profit before tax (%)	Non-financial (%)	Total (%)
A Haynes	Actual	20.10%	7.95%	18.75%	46.80%
	Max Pot	58.80%	25.20%	36.00%	120.00%
R Fisher	Actual	16.52%	6.62%	15.50%	38.64%
	Max Pot	39.20%	16.80%	24.00%	80.00%
J Clelland	Actual	16.52%	6.62%	15.00%	38.14%
	Max Pot	39.20%	16.80%	24.00%	80.00%

Remuneration at a Glance (contd.)

STRATEGIC REPORT

Governance considerations

In designing and implementing our Directors' Remuneration Policy the 2018 UK Corporate Governance Code has been a key touchstone. The NRC has sought to take full account of its remuneration-related provisions, as we illustrate below in describing how we have sought to comply with the six factors in provision 40 of the Code:

Clarity

Our remuneration framework supports financial delivery and the achievement of strategic objectives, aligning the interests of our executive directors and shareholders. Our policy is transparent and has been well communicated to our senior executive team. It has been, and will continue to be, clearly articulated to our shareholders (both on an ongoing basis and during consultation, if any changes are considered necessary in the future).

Simplicity

Our framework has been designed to be straightforward to communicate and operate.

Risk

Our incentives have been structured to align with the Board's system of risk management and risk appetite. Inappropriate risk-taking is discouraged and mitigated by, for example:

- A balance of fixed pay to performance-related incentive pay and through multiple performance measures based on both financial and non-financial targets
- Operating a post-vesting holding period for the LTIP
- Significant in-employment shareholding guidelines and a formal post-employment shareholding policy
- Robust recovery and withholding provisions.

Predictability

Our incentive plans have individual caps, with share plans also subject to market standard dilution limits. The committee has full discretion to alter the payout level or vesting outcome to ensure payments are aligned with our underlying performance.

Proportionality

Our approach is underpinned by the principle that failure should not be rewarded. There is a clear link between individual awards, strategic delivery and our long-term performance.

This is demonstrated, for example, by the connection between executive directors' pay arrangements and their building and maintaining of meaningful levels of shareholding through linking our incentive measures and performance objectives, by our ability to use discretion to ensure appropriate outcomes and via the structure of our executive directors' contracts. The Committee will review formulaic incentive outcomes and may adjust them in the light of overall Group performance and taking account of the shareholder and wider stakeholder experience.

Alignment to culture

Our policy is aligned to our entrepreneurial and dynamic culture. The Committee strives to embed a sustainable performance culture at management level that can cascade throughout our business. The Board sets the framework of performance objectives against which we monitor the company's performance and the Committee links the performance metrics of our incentive arrangements to those indicators. We operate employee share schemes across the workforce in order to foster a culture of share ownership.

Directors’ Remuneration Policy

Directors’ Remuneration Policy

The Directors’ Remuneration Policy was amended in 2023 following an extensive shareholder consultation exercise undertaken at the beginning of the year. The 2023 Directors’ Remuneration Report, which included a copy of the Policy, received 100% approval from shareholders at the 2023 AGM. Next year we are proposing to stay within the broad structure of our 2023 framework. We are also proposing a change to the remuneration framework for non-executive directors to include company shares as part of their annual fee, along with a requirement that each non-executive invest an additional proportion of his/her fee in Aquis shares. This is explained in more detail below.

The main objective of the company’s remuneration arrangements remains to promote the long-term success of the company. The company does not pay more than is necessary for this purpose. In fulfilment of this objective, the Policy is designed to motivate Executive Directors and other members of Exco appropriately in the context of the Group’s performance objectives and culture and to ensure it is aligned with the interests of shareholders and other key stakeholders. The Policy also takes full account of the requirements and standards of the regulatory system, and takes care to avoid encouraging behaviours which may lead to conflicts of interest and potentially damage the best interests of its shareholders and its members/clients.

In 2024, we are proposing to increase the reward for the CEO from 75% to 80% of salary, and to increase the reward for the CFO from 65% to 70% of salary. This increases the variable proportion of remuneration for the Executive Directors with a focus on long-term share price appreciation, in line with our shareholders’ interests.

The rationale for these changes is set out in detail in the Annual Statement on page 44.

This year the main change in structure that we are proposing (subject to regulatory approval) relates to the compensation of non-executive directors. We believe it is right for our non-executive board members to be invested in Aquis, just as we believe it is right for all employees to hold shares/options in Aquis. For this reason, we are proposing the following:

1. To require NEDs to hold Aquis shares equal in value to 30% of each NED’s annual fees within 3 years;
2. For 10% of each NED’s annual fees to be granted as company shares;
3. To increase NED fees by 5%.

Directors' Remuneration Policy (contd.)

The table below provides a summary of the proposed Remuneration Policy for Executive Directors:

Element	Base salary
Purpose	Recruit and retain executives of a high calibre. Reflects an individual's experience, role and performance. Prevents unnecessary risk taking.
Operation	Salaries are paid monthly. They are reviewed annually and normally fixed for 12 months commencing 1 January. In deciding appropriate levels, the Board considers: • the role, experience, responsibility & performance of the individual, increases applied to the broader workforce and • relevant market information for similar roles in two universes of peers, both companies of a similar market cap size and companies that are closest to Aquis in terms of business model and competition for talent, and • the performance of the company. The Board considers the impact of any salary increase on the total remuneration package prior to awarding any increases.
Maximum	There is no maximum. The Board is guided by average increases across the workforce. However, higher % increases may be awarded on occasion, for example (but not limited to): • Where an individual is promoted or has been recruited on a below market rate; or • In relation to a change in size, scale or scope of an individual's role or responsibilities or in the size or complexity of the business or where salaries have fallen significantly below mid- market levels.
Performance	NRC reviews the salaries of Executive Directors each year taking due account of all the factors described in the 'Operation' and 'Maximum' columns of this table.

Element	Benefits
Purpose	Recruit and retain executives of a high calibre
Operation	Benefits may include: • Medical and life insurance. • Executive Directors are also eligible to participate in any all-employee HMRC tax advantaged share schemes, on the same basis as other employees. • Relocation or related expenses may be offered including tax equalisation to ensure the executive is no better or worse off. • Executive Directors may be offered other benefits if considered appropriate and reasonable by the NRC.
Maximum	There is no maximum as costs may vary in accordance with market conditions. HMRC tax- advantaged limits will apply in accordance with share scheme rules.
Performance	N/A

Element	Pension
Purpose	To provide retirement benefits in line with the overall Group Policy.
Operation	Executive directors may be offered the choice of: • a company contribution into a defined contribution pension scheme; or • a cash allowance in lieu of pension.
Maximum	The maximum opportunity is aligned to the approach available to the wider workforce, currently: • up to 5% of salary into a defined contribution scheme; or • up to 5% of salary cash allowance.
Performance	N/A

Directors' Remuneration Policy (contd.)

Element	Annual cash bonus
Purpose	To incentivise the achievement of annual financial and/or strategic business targets, appropriately stretching, in line with shareholder interests.
Operation	Participation in the bonus plan is at the discretion of the Board. Bonus payment is determined after the year end, based on performance against targets set at the start of each year. For Executive Directors, bonus payments are paid in the April after year end and after the announcement of the financial results for the year. Bonus payments are subject to recovery and withholding provisions in the event of financial misstatement, error or gross misconduct -see below for more details.
Maximum	An overall maximum of 120% of salary applies to the CEO and 80% to the CFO and Special Adviser.
Performance	Performance metrics are selected annually based on the Group's financial and strategic objectives. The bonus will be based on the achievement of an appropriate mix of challenging financial, strategic or personal targets, tailored each year to reflect business priorities. Outcomes will be based on the achievement of financial measures (e.g. revenue, profit), representing at least 70% of the bonus with a minority (up to 30%) on key strategic objectives. 90% of the objectives are measurable. For financial measures, a sliding scale of targets is set by the NRC, taking into account factors such as the business outlook for the year. Nothing is payable for performance below a minimum level of performance. The metrics, and proportion of bonus that can be earned against each metric, will be disclosed in the Annual Report on Remuneration each year for the outcome year. The calculation of the annual bonuses from the actual performance achieved against each bonus target will be described retrospectively each year in the Annual Report on Remuneration.

Element	Long Term Incentives
Purpose	Incentivises Executive Directors and senior executives to achieve successful execution of business strategy over the longer term. Aligns the interests of the Executives, senior staff and shareholders. Also helps to provide long- term retention.
Operation	Participation and individual award levels will be determined annually at the discretion of the Board within the Policy. Awards are normally granted annually in the form of premium priced options under the Aquis Exchange Executive Share Option Plan (AEESOP). Award levels will be subject to the individual limit and will take into account matters such as market practice, overall remuneration, and the performance of both the Group and the Executive being granted the award. Awards normally vest after three years subject to continued employment. A holding period will apply under which all Executive Directors are required to retain their net of tax vested awards for two years post vesting. Awards are subject to recovery and withholding provisions – see below for more details.
Maximum	Maximum grant at a fair value level of 125% of salary in the form of premium priced options over shares for current Executive Directors.
Performance	Premium priced share options awards will normally vest three years after grant subject to continued employment. The performance condition that applies is a premium of at least 25% premium to the share price at the date of the grant.

Directors' Remuneration Policy (contd.)

Element	Shareholding guidelines
Purpose	To align the interests of management and shareholders and promote a long- term approach.
Operation	The Policy for all Executive Directors on shareholding is that in the medium term each will be expected to build up and hold their own shareholding in the Company to a value of at least 200% of their base salary in line with market practice in this area. The Board have approved the implementation of a new share based payment plan with the intention that all NEDs will over time hold shares equal to at least 30% of their annual fees. The Board also operates a formal post-cessation shareholding policy in the light of the provisions of the UK Corporate Governance Code. It is the Group's policy that good leavers' share awards should vest where applicable subject to a pro rata reduction. Thereafter, such vested share awards for good leavers will still also be subject to the 2-year holding period and the same associated withholding and recovery conditions as for those not leaving. Vested share awards for good leavers that are still within the 2-year holding period will continue to be held to the end of that holding period. The Group believes that these post leaving conditions provide sufficient shareholder protection whilst not risking unfairly penalising good leavers by forcing a further holding period for shares released from vested awards first granted more than 5 years ago or for shares acquired independently from the Group's share plans with good leavers' own resources.
Maximum	N/A
Performance	N/A

Element	Non- Executive Chair and Non- Executive Directors' fees
Purpose	To attract and retain a high- quality Chair and experienced Non-Executive Directors.
Operation	The Non-Executive Chair receives a single fee covering all his duties. The Non-Executive Directors receive a basic fee and additional fees payable for being the Senior Independent Director, chairing or being a member of the Audit, Risk & Compliance or the Nomination & Remuneration Committees, or the Group's Regulated Subsidiary Boards and their committees. The level of fees of the Non- Executive Directors reflects the time commitment and responsibility of their respective roles. In exceptional circumstances, additional fees may be payable to reflect a substantial increase in time commitment of the Non- Executive Chair or Directors. This year the Board is proposing to add a requirement for each NED to hold shares in Aquis equal to 30% of his/her total annual fees within three years. As part of this new framework, Aquis will pay each NED 10% of his/her annual fees in shares.
Maximum	There is no maximum. Any increase to fees, however, will be considered in light of the expected time commitment in performing the roles, increases received by the wider workforce and market rates in comparable companies.
Performance	Neither the Non- Executive Chair nor the Non-Executive Directors are eligible for any performance-related remuneration.

Directors' Remuneration Policy (contd.)

Consideration of employment conditions elsewhere in the Group

Whilst the NRC does not consult directly with employees on the Directors' Remuneration Policy, the NRC does receive periodic updates regarding salary increases and remuneration arrangements across the Group. This is borne in mind when determining the Remuneration Policy and payments for the Executive Directors.

Bonus and incentive plan Discretions

The Group will operate the Annual Cash Bonus Plan and Aquis Exchange Executive Share Option Plan according to their respective rules and in accordance with the AQSE Rules, AIM Rules and HMRC rules, where relevant. The Board, consistent with market practice, retains discretion over a number of areas relating to the operation and administration of these plans. These include (but are not limited to) the following (albeit the level of award is restricted as set out in the policy table above):

- Who participates in the plans;
- The timing and form of grant of award and/or payment (including what performance conditions or underpins may apply);
- The size of an award and/or a payment (including application of holding periods);
- Discretion relating to the measurement of performance in the event of a change of control or other corporate events;
- Determination of a good leaver (in addition to any specified categories) for incentive plan purposes based on the rules of each incentive plan and the appropriate treatment chosen including timing of when the award may vest and whether time pro-rating will apply;
- Adjustments required in certain circumstances (e.g. rights issues, corporate restructuring, on a change of control and special dividends);
- The ability to adjust existing performance conditions and underpins for exceptional events, including any M&A activity so that they can still fulfil their original purpose whilst being no less stretching; and
- Application of recovery and withholding provisions, including treatment of awards pending disciplinary proceedings (see further below).

Recruitment and Promotion Policy

The remuneration package for a new Executive Director will be established in accordance with the Directors' Remuneration Policy subject to such modifications as are set out below.

Directors' service contracts terms

The Group contract term policy is to establish Executive Directors' notice period of 6 months in line with market norms. The Non-Executive Directors' letters of appointments are subject to annual approval at the AGM.

All Directors' service contracts and letters of appointment are available for inspection on request from the Company Secretary.

Salary levels for Executive Directors will be set in accordance with the Remuneration Policy, taking into account the experience and calibre of the individual and their existing remuneration package. Benefits will generally be provided in line with the Policy, with relocation or other related expenses provided for if necessary. A pension contribution or cash in lieu in line with the pension contributions provided to the majority of the workforce may be offered.

The outcome of variable pay elements of Executive Directors will be in accordance with the Policy detailed above. The maximum variable pay opportunity will be as set out in the Remuneration Policy table. Different performance measures may be set initially for the annual cash bonus in the year of joining, taking into account the responsibilities of the individual, and the point in the financial year that he or she joined the Board. The bonus will be pro-rated to reflect the proportion of the financial year served. An Executive Share Option award can be made shortly following an appointment (assuming the Group is not in a close period).

In the case of external recruitment, if it is necessary to buy out incentive pay or benefit arrangements (which would be forfeited on leaving the previous employer), this may be provided, taking into account the form (cash or shares), timing and expected value (taking into account the likelihood of meeting any existing performance criteria) of the remuneration being forfeited.

Replacement share awards, if used, may be granted using the Group's existing share plans to the extent possible, although awards may also be granted outside of these schemes if necessary and as permitted under the AQSE Rules and / or AIM Rules. The intent of any such award would be to ensure that, as far as possible, the expected value and structure of the award will be no more generous than the amount forfeited.

In the case of an internal recruitment, any outstanding variable pay awarded in relation to the previous role will be allowed to pay out according to its terms of grant or adjusted as considered desirable to reflect the new role.

Service Contracts and Payments for Loss of Office

The Group's policy is to have service contracts for Executive Directors that continue indefinitely unless determined by their notice period. Under the Executive Directors' service contracts and, in line with the policy for new appointments, no more than 6 months' notice of termination of employment is required by either party.

For Executive Directors, the Group may, in its absolute discretion, at any time after notice is served by either party, terminate a Director's contract with immediate effect by paying an amount equal to base salary for the then unexpired period of notice plus the fair value of contractual benefits subject to the deduction of tax.

An Executive Director's service contract may be terminated without notice for certain events such as gross misconduct or a serious breach of contract. No payment or compensation beyond salary (and the value of holiday entitlement) accrued up to the date of termination will be made if such an event occurs. Any statutory payments required by law will be made.

All letters of appointment for Non-Executive Directors with the Group are for an annual renewable period. Appointments may be terminated with three months' notice. The appointment letters for the Chair and Non-Executive Directors provide that no compensation is payable on termination, other than accrued fees and expenses.

Recovery (Clawback) provisions for Executive Directors in the Annual Cash Bonus Plan

For Executive Directors only, the Board may, in the exceptional circumstances defined below, decide to Clawback annual cash bonus payments.

The Board may decide at any time prior to the second anniversary of the date on which annual cash bonuses are paid, that the individual to whom the annual cash bonus was paid shall be subject to Clawback.

The circumstances which may give rise to the application of Clawback are, for any period from Financial Year 2020 onwards:

(a) material misstatement of financial results; or

(b) miscalculation of bonus as a result of an error, or inaccurate or misleading information or assumptions; or

(c) serious misconduct that warrants or could have warranted summary dismissal; or

(d) the Group becomes insolvent or is put into administration; or

(e) circumstances which in the Board's opinion have (or would have if made public) a sufficiently significant impact on the reputation of the Group; or

(f) a serious failure of risk management within the Group.

Change of Control provisions for Executive Directors in Aquis Exchange Executive Share Option Plan

In the event of a genuine change of control, unvested share awards shall normally vest on the date of such event. The Board will usually apply a pro rata reduction to vested awards based on the portion of the vesting period that has elapsed at the time of the change of control.

Good Leaver (including Retirement) provisions for Executive Directors in Aquis Exchange Executive Share Option Plan

If prior to vesting of any shares, an individual ceases to be a director or employee of the Group by reason of death, injury or disability, retirement, the participant's employing company or employing part of a business being sold out of the Group, or for any other good leaver reason that the Board determines, then his/her awards shall vest on leaving, but the Board will apply a pro rata reduction to vested awards based on the portion of the vesting period that has elapsed.

Withholding (Malus) and Recovery (Clawback) provisions for Executive Directors in Aquis Exchange Executive Share Option Plan

The Board may decide: (i) at any time prior to the date on which an award vests that an unvested award is subject to Malus; and/or (ii) at any time prior to the second anniversary of the date on which an award vests, that the individual to whom the award was granted shall be subject to Clawback. The Board may apply Malus or Clawback if it forms the view that one or more of the circumstances envisaged in (a) to (f) of the provisions established for the Annual Cash Bonus (listed above) applies; and it is, in the Board's opinion, appropriate.

Annual Report on Remuneration

The information in this section of the Directors' Remuneration Report includes details, firstly, of how we intend to operate the Remuneration Policy in 2024 and, secondly, details of the pay outcomes in respect of the 2023 financial year.

Implementation of Remuneration Policy in 2024

Executive Directors' base salaries from 1 January 2024

Alasdair Haynes' base salary will increase by 10.7% to £310,000 p.a., Richard Fisher's base salary will increase by 7% to £267,500 p.a. and Jonathan Clelland's base salary will increase by 6% to £278,992 p.a. The increase in salaries for the Executive Directors as a group is the same as the average increase for employees in the company, which is 9.0% for 2023. The rationale for these increases is set out in the Annual Statement from page 44.

The salary increase progression over the period since January 2020 is set out below:

Executive Director	A. Haynes	J. Clelland	R. Fisher
1 Jan 2024	£310,000	£278,992	£267,500
1 Jan 2023	£280,000	£263,200	£250,000
1 Jan 2022	£250,000	£235,000	–
1 Jan 2021	£250,000	£235,000	–
1 Jan 2020	£250,000	£235,000	–

Executive Directors' Benefits and Pension

The Executive Directors' remuneration packages include medical and life assurance. Pension contributions (whether through participation in the Group Pension Plan or by way of a cash equivalent sum) are set at 5% of salary (in line with the contribution level made available to the wider workforce). Richard Fisher elected to participate in the Group Pension Plan for part of 2023 and Alasdair Haynes and Jonathan Clelland have elected not to participate and receive cash equivalent supplements.

Executive Directors' 2024 Annual Cash Bonus Plan

For Alasdair Haynes the maximum bonus opportunity for 2024 will be capped at 120% of base salary. For on-target performance, bonus payout will be 60% of base salary. At threshold performance, below which no bonus will be paid, the bonus payout will be 0% of base salary.

For Richard Fisher and Jonathan Clelland, the maximum bonus opportunity for 2024 will be capped at 80% of base salary. For on-target performance, bonus payout will be 45% of base salary. At threshold performance the bonus payout will be 5% of base salary. Below threshold, no bonus will be paid. Jonathan Clelland's 2024 bonus opportunity will be time pro-rata for the period until he retires in April 2024.

The objectives and their weightings for the year ending 31 December 2024 for the Executive Directors remain consistent with those of 2023: Group revenue (49.0%), Group Profit Before Tax (21.0%) and strategic, non-financial objectives (30%). 90% of the performance objectives are measurable.

The Group financial performance objectives therefore constitute 70% of the available bonus, and the strategic non-financial objectives 30%.

As an underpin, a minimum level of 50% of the year's budgeted Profit Before Tax must be achieved before any payment can be made against the financial element of the Annual Cash Bonus plan. There is no formal underpin for the strategic, non-financial objectives but the NRC and Board will retain discretion to reduce (including to nil) cash bonuses based on strategic, non-financial objectives if they determine that the overall circumstances cannot justify it.

Executive Directors' long-term incentives

In 2024 awards of premium priced options will be made at a Fair Value level of 80% of salary to the CEO and 70% to the CFO.

The options will vest after three years subject to continued full time employment and will have an exercise price set at 25% above the 1-month average traded share price at the date of grant. Vested awards have a two-year holding period and awards will be subject to recovery and withholding provisions.

Single figure of total remuneration for Directors

The following tables present all elements of remuneration earned by the Directors in 2023 (and 2022).

Long term incentive benefits in 2023 for the Executive Directors represent the Fair Value of the Aquis Exchange Executive Share Option Plan. The 2022 comparisons reflect the Fair Value of the Aquis Omnibus Share Plan restricted share awards.

2023 Audited

Director	Salary/ Fees	Pension Contributions	Taxable benefits[(3)]	Fixed	Performance Bonus Actual[(2)]	Long-Term Incentives[(4)]	Total
Executive Directors							
Alasdair Haynes	280,000	14,000	7,955	301,955	131,046	210,000	643,000
Richard Fisher	250,000	12,465	2,085	264,550	96,591	162,500	523,641
Jonathan Clelland	263,200	13,160	9,558	285,918	100,375	171,080	557,373
Non-Executive Directors							
Glenn Collinson	78,750	–	–	–	–	–	78,750
Mark Spanbroek[(1)]	15,346	–	–	–	–	–	15,346
Mark Goodliffe	63,750	–	–	–	–	–	63,750
Deirdre Somers	48,750	–	–	–	–	–	48,750
David Vaillant	60,000	–	–	–	–	–	60,000
Fields Wicker-Miurin	63,750	–	–	–	–	–	63,750
Ruth Wandhöfer	58,750	–	–	–	–	–	58,750

(1) Mark Spanbroek retired from the Board in April 2023.

(2) The detailed calculation of the performance bonus is described in the section on 2023 annual cash bonus below.

(3) Taxable benefits comprise medical and life insurance.

(4) The long term incentive value includes the value of the premium priced share option awards made to Alasdair Haynes (£210,000), Richard Fisher (£162,500) and Jonathan Clelland (£171,080). For the purposes of this table the fair value of the premium priced share option awards on date of issue has been included.

Annual Report on Remuneration (contd.)

2022 Audited

Director	Salary/ Fees	Pension Contributions	Taxable benefits[4]	Fixed	Performance Bonus Actual	Long-Term Incentives[5]	Total
Executive Directors							
Alasdair Haynes	250,000	12,500	6,976	269,476	119,386	162,500	551,362
Richard Fisher[1]	200,000	11,131	10,747	221,878	97,109	130,000	448,987
Jonathan Clelland	235,000	11,750	8,790	255,540	105,173	152,750	513,463
Non-Executive Directors							
Glenn Collinson[2]	75,000	–	–	–	–	–	75,000
Richard Bennett[6]	55,000	–	–	–	–	–	55,000
Mark Spanbroek	45,000	–	–	–	–	–	45,000
Mark Goodliffe	60,000	–	–	–	–	–	60,000
Deirdre Somers	45,000	–	–	–	–	–	45,000
David Vaillant	60,000	–	–	–	–	–	60,000
Fields Wicker-Miurin[3]	45,900	–	–	–	–	–	45,900
Ruth Wandhöfer[3]	42,100	–	–	–	–	–	42,100

(1) Richard Fisher was appointed to the Board in March 2022.

(2) Glenn Collinson was appointed Chairman on 1st January 2022.

(3) Fields Wicker-Miurin and Ruth Wandhöfer joined the Board in March 2022. Fields Wicker-Miurin became the Chair of the NRC in September 2022.

(4) Taxable benefits comprise private health care.

(5) The long term incentive value includes the value of the restricted share awards made to Alasdair Haynes (£162,500), Richard Fisher (£130,000) and Jonathan Clelland (£152,750). For the purposes of this table the fair value of the restricted share awards on date of issue has been included.

(6) Richard Bennett stepped down as Chair of the NRC in September 2022.

Executive Directors' 2023 annual cash bonus

In 2023, the Group Financial performance objectives for Alasdair Haynes, Richard Fisher and Jonathan Clelland were the same. The strategic, non-financial, individual objectives for Alasdair Haynes, Richard Fisher and Jonathan Clelland reflected their specific individual responsibilities for the Group. Performance against them was as follows:

Director	Maximum Bonus Opportunity (% of salary)	Threshold	Target	Max	Act Res	Bonus outcome (% of salary)
A Haynes						
Group Financial Objective (KPI) 1: Revenue (net of Expected Credit Loss 'ECL')	58.8%	£20.80m	£23.11m	£26.58m	£22.69m	20.10%
Group Financial Objective (KPI) 2: Profit Before Tax	25.2%	£4.37m	£5.46m	£7.10m	£5.19m	7.95%
Strategic, Non-financial Objectives (KPIs)	36.0%	See the table below	15%	36%	18.75%	18.75%
Total	**120.0%**					**46.80%**
R Fisher						
Group Financial Objective (KPI) 1: Revenue (net of ECL)	39.2%	£20.80m	£23.11m	£25.42m	£22.69m	16.52%
Group Financial Objective (KPI) 2: Profit Before Tax	16.8%	£4.37m	£5.46m	£6.55m	£5.19m	6.62%
Strategic, Non-financial Objectives (KPIs)	24.0%	See the table below	12%	24%	15.50%	15.50%
Total	**80.0%**					**38.64%**
J Clelland						
Group Financial Objective (KPI) 1: Revenue (net of ECL)	39.2%	£20.80m	£23.11m	£25.42m	£22.69m	16.52%
Group Financial Objective (KPI) 2: Profit Before Tax	16.8%	£4.37m	£5.46m	£6.55m	£5.19m	6.62%
Strategic, Non-financial Objectives (KPIs)	24.0%	See the table below	12%	24%	15.00%	15.00%
Total	**80.0%**					**38.14%**

The Strategic, Non-financial Objectives (30% of the bonus) are set out below together with the performance outcome. The assessment of the performance outcomes of the Executive Directors is based on:

- Not met target: failed to meet the target (0%)
- Partially met target: has made material progress towards the target but did not fully meet it (50%)
- Met target: has achieved the stated target (100%)
- Exceeded target: has delivered a solution which was an improvement on the performance target (200%)

Annual Report on Remuneration (contd.)

A Haynes Strategic, Non-financial Objectives	Performance outcome as a % of target (either Not met target, Partially met target, Met target, or Exceeded target)
AQXE ongoing diversification and growth	200%
Management team development	100%
Social	100%
ESG	150%
Leadership	100%
Brand	100%

R Fisher Strategic, Non-financial Objectives	Performance outcome (either Not met target, Partially met target, Met target, or Exceeded target)
AQXE ongoing diversification and growth	200%
Management team development	100%
Social	100%
ESG	150%
Leadership	100%
5-Year Financial (Strategic) Plan	100%
Investor relations strategy	150%
Governance	100%

J Clelland Strategic, Non-financial Objectives	Performance outcome (either Not met target, Partially met target, Met target, or Exceeded target)
AQXE ongoing diversification and growth	200%
Management team development	100%
Social	100%
ESG	150%
Leadership	100%
Strategic Plan Initiatives	100%

The Group has continued to strengthen its executive in order to manage the business and successfully execute the Group's strategy and business plans. This approach is supported by the Board, which focussed on constructive analysis, assessment, debate and collective decisions.

The data used to measure and verify the performance against objectives was derived from independent sources and internal management reports. No significant assumptions were made in measuring the performance against objectives. The calculation methods for all the financial and non- financial objectives were consistent with prior years and there were no changes to the underlying accounting policies.

Executive Directors' vesting during 2023 of share-based awards under long term incentive plans

Restricted shares were granted in June 2020 and the performance underpins attached were measured over the period 1 January 2021 to 31 December 2023. The NRC assessed performance against each of the underpins and determined that all of the thresholds had been comfortably met and that the award could therefore vest in full. The award has vested in June 2023 and will be subject to a two-year post-vesting holding period.

Full details on the vesting status of all share plan awards for the Executive Directors are set out in the Outstanding Share Plan awards table below:

Executive Directors' Awards in 2023 under the Aquis Exchange Executive Share Option Plan

On 26th April 2023, Alasdair Haynes was granted 276,680, Jonathan Clelland 225,402 and Richard Fisher 214,097 premium priced option awards under the Aquis Exchange Executive Share Option Plan ('AEESOP'). These awards are valued at £5.04, which is a 25% premium to the one month historic average Aquis Exchange PLC share price at the date of issue. These awards represent 75% fair value of base salary for Alasdair Haynes, and 65% fair value of base salary for Jonathan Clelland and Richard Fisher.

Annual Report on Remuneration (contd.)

Outstanding Share Plan awards

Details of all outstanding awards under all Share Plans for the Executive Directors are set out below.

Director	Type of award	Award date	Share (or RSP/PPO Option Exercise) Price at grant	Unvested at 1 Jan 2023	Awarded during the year	Lapsed during the year	Options vested during the year	Unvested at 31 Dec 2023	Earliest date shares from most recent award could be acquired	Latest date shares from most recent award could be acquired
Alasdair Haynes	Aquis Omnibus Share Plan 2020	15th Jun 2020	£3.55	45,775	–	–	45,775	–	15th Jun 2023	14th Jun 2030
	Aquis Omnibus Share Plan 2020	30th Apr 2021	£6.85	23,723	–	–	–	23,723	30th Apr 2024	29th Apr 2031
	Aquis Omnibus Share Plan 2020	29th Apr 2022	£4.90	33,163	–	–	–	33,163	29th Apr 2025	28th Apr 2032
	Aquis Exchange Executive Share Option Plan 2022	26th Apr 2023	£5.04	–	276,680	–	–	276,680	26th Apr 2026	25th Apr 2030
Richard Fisher	Aquis Omnibus Share Plan 2020	30th Apr 2021	£6.85	6,204	–	–	–	6,204	30th Apr 2024	29th Apr 2031
	Aquis Omnibus Share Plan 2020	29th Apr 2022	£4.90	18,367	–	–	–	18,367	29th Apr 2025	29th Apr 2032
	Aquis Omnibus Share Plan 2020	30th Jun 2022	£3.83	10,449	–	–	–	10,449	30th Jun 2025	29th Jun 2032
	Aquis Exchange Executive Share Option Plan 2022	26th Apr 2023	£5.04	–	214,097	–	–	214,097	26th Apr 2026	25th Apr 2030
Jonathan Clelland	Aquis Omnibus Share Plan 2020	15th Jun 2020	£3.55	43,028	–	–	43,028	–	15th Jun 2023	14th Jun 2030
	Aquis Omnibus Share Plan 2020	30th Apr 2021	£6.85	22,299	–	–	–	22,299	30th Apr 2024	29th Apr 2031
	Aquis Omnibus Share Plan 2020	29th Apr 2022	£4.90	31,173	–	–	–	31,173	29th Apr 2025	28th Apr 2032
	Aquis Exchange Executive Share Option Plan 2022	26th Apr 2023	£5.04	–	225,402	–	–	225,402	26th Apr 2026	25th Apr 2030

Awards under the Aquis Omnibus Share Plan are options to acquire shares in Aquis Exchange PLC at an exercise price of 10p share, vest 3 years after the date of the award subject to the Group exceeding underpin conditions and are held for a further 2 years post vest subject to certain withholding (malus) and recovery (clawback) conditions described in the Aquis Exchange Remuneration Policy.

Awards under the Aquis Exchange Executive Option Share Plan are options to acquire shares in Aquis Exchange PLC at an exercise price of £5.04p share, vest 3 years after the date of the award subject to the Group exceeding underpin conditions and are held for a further 2 years post vest subject to certain withholding (malus) and recovery (clawback) conditions described in the Aquis Exchange Remuneration Policy

Directors' shareholdings and share interests

The following table summarises the shareholdings and share interests of the Directors at 31 December 2023.

Director	Shares	Options vested but not exercised	SIP	Total
Executive				
Alasdair Haynes	1,351,551	246,594	11,549	1,609,694
Richard Fisher	–	–	6,146	6,146
Jonathan Clelland	547,401	123,028	11,651	682,080
Non-Executive				
Glenn Collinson	32,003	–	–	32,003
Fields Wicker-Miurin	2,450	–	–	2,450
Ruth Wandhöfer	747	–	–	747

The shareholdings and share interests above, do not take account of any allotted under the Aquis Exchange Omnibus Share plan granted during 2021 - 2022 or under the Aquis Exchange Executive Options Share Plan granted during 2023. which will vest with effect from 2024 onwards.

The options vested amounts above are EMI 2018 and 2020 and RSP 2020.

Annual Report on Remuneration (contd.)

Retirement Benefit Schemes

Pension obligations

The Group has defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no further payment obligations once the contributions have been paid, nor any legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as an employee benefit expense as and when they become due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund.

The total costs charged to Group income in respect of defined contribution plans in 2023 were £314,281 (2022: £159,366).

All Employee Share Plans

The Group operates an HMRC tax-advantaged Share Investment Plan (SIP).

All employees are eligible to participate in the SIP scheme and during 2023, 40 employees including the Executive Directors subscribed to the scheme. As at 31 December 2023 261,862 shares in the Company were held in the SIP.

Other information about the NRC

The membership of the NRC during 2023 was as follows:

- Fields Wicker-Miurin, Chair
- Glenn Collinson
- Deirdre Somers

The NRC members have no personal financial interest in matters to be decided, no potential conflicts of interests arising from cross directorships and no day-to-day involvement in running the business. The Non-Executive Directors are not eligible for pensions and do not currently participate in the Group's cash bonus or share schemes.

By invitation of the NRC, meetings are attended by the Company Secretary (who acts as Secretary to the Committee), the Head of Human Resources and the Executive Directors, who are consulted on matters discussed by the Committee. Advice or information is also sought from other employees where the NRC feels that such additional contributions will assist the decision-making process.

- The Committee is authorised to take such internal and external advice as it considers appropriate in connection with carrying out its duties, including the appointment of its own external remuneration advisers. During the year, the committee was assisted in its work by FIT Remuneration Consultants LLP. FIT's fees for advice provided to the NRC during 2023 were £22,000 covering general advice on remuneration on matters including the benchmarking of Executive Directors' salaries. FIT also provides advice on Non-Executive Directors' fees but other than this does not provide any other services to the Group. The NRC is satisfied that FIT provides independent and objective remuneration advice. FIT is a signatory to the Code of Conduct for Remuneration Consultants in the UK, details of which can be found on the Remuneration Consultants Group's website at www.remunerationconsultantsgroup.com.

In 2023, the Committee:

- Reviewed the skill sets, the independence and time availability of the Non-Executive Directors across the Group. The NRC believes that the current compositions of the Boards and the Committees of both the Group and its subsidiaries are appropriate to meet the Group's business, regulatory and governance objectives;
- Recommended that all Non-Executive Directors be nominated for re-election at the 2024 AGM;
- Provided continued support to the Board mentoring programme whereby Non-Executive Directors mentor Aquis employees. The take-up remains excellent and board directors report that they are also learning a lot from their 'mentees';
- Reviewed the succession plans for the Board and senior executives to ensure they considered changing skill requirements as the Group develops;
- Monitored key diversity and inclusion metrics throughout the Group;
- Evaluated the fixed salaries of the Executive Directors in 2023 and proposed changes to their salaries in 2024 in line with other employees;
- Evaluated the performance of the Executive Directors in 2023 and proposed remuneration outcomes for FY2023 in the forms of annual bonus and LTIPs;
- Set the performance objectives of the three Executive Directors in 2023;
- Set the performance objectives of the three Executive Directors for 2024;
- Confirmed the terms and recommended to the Board the grant of PPOs to the Executive Directors and other Exco members in April 2023 under the Aquis Exchange Executive Share Plan;
- Reviewed the Group's Remuneration Policy to make sure it remains fit for purpose for this next phase in the Group's development.

In addition to the above, with the sponsorship of the NRC, the Board conducted an evaluation of its performance, including self-assessments by each Board member.

Throughout the year, the NRC has continued to work to ensure policy and practices remain consistent with the relevant provisions of the 2018 UK Corporate Governance Code.

External Non-Executive Directors Appointments

Executive Directors are permitted, where appropriate and with Board approval, to take Non-Executive Directorships with other organisations in order to broaden their knowledge and experience in other markets and countries.

Fees received by the Executive Directors in their capacity as directors of these companies are retained, reflecting the personal responsibility they undertake in these roles. None of the Executive Directors currently holds an appointment of this nature.

2023 AGM Remuneration Resolution Voting Outcome

	For	Against	Withheld
Directors'	13,401,871	–	–
Remuneration Report	100.0%	0.0%	0.0%

On behalf of the Board and the Nomination & Remuneration Committee.

Fields Wicker-Miurin
Chair, Nomination & Remuneration Committee
20 March 2024

Independent auditor's report to the members of Aquis Exchange PLC

FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Aquis Exchange PLC (the ‘parent company’) and its subsidiaries (the ‘group’) for the year ended 31 December 2023 which comprise the Consolidated and the company Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the company Statement of Financial Position, the Consolidated and the Company Statement of Changes in Equity, the Consolidated and the company Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the group’s and of the parent company’s affairs as at 31 December 2023 and of the group’s and the parent company’s profit for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the “Auditor’s responsibilities for the audit of the financial statements” section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard, as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our audit procedures to evaluate the directors’ assessment of the group’s and the parent company’s ability to continue to adopt the going concern basis of accounting included but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the group’s and the parent company’s ability to continue as a going concern;
- Obtaining an understanding of the relevant controls relating to the directors’ going concern assessment;
- Evaluating the directors’ method to assess the group’s and the parent company’s ability to continue as a going concern;
- Reviewing the directors’ going concern assessment, which incorporated severe but plausible scenarios;
- Challenging the key assumptions used and judgements applied by the directors in forming their conclusions on going concern;
- Making inquiries of management, reading correspondence with regulators and minutes of board meetings;
- Assessing and challenging key assumptions and mitigating actions put in place in response to global and domestic events including, but not limited to, the war in Ukraine, the conflict in the Middle-East, the upcoming UK General Election and US Presidential Election as well as the inflation levels and high interest rates;
- Considering whether there were events subsequent to the balance sheet date which could have a bearing on the directors’ assessment of going concern conclusion; and
- Reviewing the appropriateness of the directors’ disclosures in the financial statements.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group’s and the parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Independent auditor's report to the members of Aquis Exchange PLC (contd.)

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

In relation to Aquis Exchange PLC's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the director's considered it appropriate to adopt the going concern basis of accounting

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures.

These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Key audit matter	How our scope addressed this matter
Completeness, cut-off and accuracy of licence fee revenue consistently with IFRS 15 (note 2, 4 and 10) (2023: £7.3m, 2022: £5.0m) Revenue from contracts with customers is recognised once the relevant contractual terms relating to each performance obligation have been achieved, and when other recognition criteria have been met. This can be either over time or point in time which impacts the timing of the recognition of the revenue. We have determined this to be a key audit matter in relation to licensing fees related to technology contracts due to the level of management judgement required in determining the performance obligations and the stand-alone price for each performance obligation. The revenue is recognised with reference to five separate performance obligations. There is a risk associated with the identification of these performance obligations, the level of comparability between individual contracts and the disaggregation of associated revenue to each performance obligation. The risk has remained stable over the period.	We evaluated the appropriateness of the revenue recognition policy in accordance with IFRS 15 'Revenue from Contracts with Customers'. We confirmed our understanding of the processes and controls relevant to the material revenue streams of the Group. We evaluated the design and implementation of the controls over revenue and concluded that a substantive audit approach should be adopted. Consequently, we did not test the operating effectiveness of the controls identified. As part of our substantive procedures: - We obtained all new contracts entered into during the period and identified the distinct performance obligations and whether they were satisfied at a point in time or over time. We further assessed the period of time, each performance obligation would continue to apply. - We reconciled the invoices raised and with the cash collected for all new and continuing contracts, as applicable. - We challenged management's assessment of the stand-alone selling prices and assessed that the assumptions applied were consistent for similar contracts. - We inspected all contracts modified or extended during the period and challenged management's conclusions on whether these should be accounted as separate contracts, modifications to the existing contracts or a combination of both, based on the specific facts of each contract. **Disclosures** We considered the adequacy of the group's disclosures to determine whether that they are appropriate and in line with the requirements of applicable financial reporting standards. **Our observations** We are satisfied that revenue related to licence fees on technology contracts is reasonable and recorded in accordance with IFRS 15 'Revenue from Contracts with Customers'.

Independent auditor's report to the members of Aquis Exchange PLC (contd.)

Key audit matter	How our scope addressed this matter
Valuation of expected credit losses (ECL) for contract assets and trade receivables (note 2, 4 and 11) (2023: £2.5m, 2022: £1.4m) The group applies the simplified approach to measure the expected credit loss (ECL) on contract assets and trade receivables. A significant level of judgement is required in determining the ECL due to limited default history and lack of comparable data to estimate the probability of default (PD). Licensing customers primarily consist of start-ups with limited external credit scores. Customers are spread across a wide geographical area including UK, EU, Asia and Africa. This limits the availability of comparable data and requires significant management judgment to assess the estimate of probability of default (PD) and the loss given default (LGD) used in the ECL estimate. We have identified a significant risk due to the judgements applied in the estimation of the LGD and PD parameters. The risk has remained stable over the period.	We evaluated the appropriateness of the ECL policy and methodology for compliance with IFRS 9 'Financial Instruments' We confirmed our understanding of the ECL assessment process and associated governance. We evaluated the design and implementation of the key controls in relation to the ECL and concluded that a substantive audit approach should be adopted. Consequently, we did not test the operating effectiveness of these controls. As part of our substantive procedures: - We challenged management's assessment of the PD and LGD for all counterparties for the license fee contracts, taking into account information and events that took place after the period end to assess whether they provided information about credit conditions that existed at the reporting date. - We assessed management's conclusions against observable data, to validate the appropriateness of the PD and LGD. - We assessed and challenged the amount of ECL held against counterparties, including ECL against trade receivables and counterparties where the ECL has historically been immaterial. - We assessed the payment histories, and other publicly available information in relation to the counterparties and evaluated whether these provided indicators of underlying credit issues with the counterparties. - We evaluated the post period settlement of receivables and amounts outstanding at year-end to assess if they were indicative of a deterioration of the credit profiles for the counterparties during the period under consideration that had not been identified and accounted for by management. We considered the adequacy of the group's disclosure to determine whether that they are appropriate and in line with the requirements of applicable financial reporting standards. **Our observations** We concluded that the approach taken by the group and company in respect to ECL is overall compliant with the requirements of IFRS 9. We consider management's estimate of the ECL to be reasonable.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality

Overall materiality	£235,000
How we determined it	1% of Total Revenue (2022: 1% of total revenue)
Rationale for benchmark applied	The group is profit-oriented, but, is still in its investment and development phase. The primary users of the group's financial statements are shareholders and investors. Their primary focus is on the profit and revenue evolution. Whilst we have considered profit before tax as a potential benchmark, it remains volatile. In our view, revenue provides the best indicator of the level of economic activity and is considered the most appropriate benchmark.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £117,500, which represents 50% (2022: 50%) of overall materiality, reflecting the history of misstatements, our consideration of the audit risks and our assessment of the control environment.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £7,100 (2022: £6,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Independent auditor's report to the members of Aquis Exchange PLC (contd.)

Parent company materiality

Overall materiality	£130,000
How we determined it	1% of Total Revenue (2022: 1% of total revenue)
Rationale for benchmark applied	The Company is profit-oriented but is still in its investment and development phase. The primary users of the company's financial statements are shareholders and investors. Their primary focus is on the profit and revenue evolution. Whilst we have considered profit before tax as a potential benchmark, it remains volatile. In our view, revenue provides the best indicator of the level of economic activity and is considered the most appropriate benchmark.
Performance materiality	Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £65,000, which represents 50% (2022: 50%) of overall materiality, reflecting the history of misstatements, our consideration of the audit risks and our assessment of the control.
Reporting threshold	We agreed with the directors that we would report to them misstatements identified during our audit above £3,900 (2022: £3,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

Our group audit scope included an audit of the group and the parent company financial statements. Based on our risk assessment, all components of the group, including the parent company, were subject to full scope audit performed by the group audit team and/or component teams. For our audit of the group financial statements, we have scoped in Aquis Exchange PLC, Aquis Exchange Europe SAS and Aquis Stock Exchange Limited, together "the components" to the extent they are material to the Group.

Aquis Exchange PLC and Aquis Stock Exchange Limited were subject to full scope audit by the group audit team. In respect to Aquis Exchange Europe SAS, we engaged with the component auditors to perform specified audit procedures. We determined the level of involvement we needed in their audit work to be able to conclude whether sufficient and appropriate audit evidence had been obtained as a basis for our opinion on the Group financial statements as a whole. We issued instructions to the component auditors, had regular communications throughout the audit and reviewed the appropriateness of their work and conclusions.

At the parent company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer term viability and that part of the Corporate Governance Statement relating to the Group's and the Parent Company's voluntary compliance with the provisions of the UK Corporate Governance Code.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 37;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate, set out on page 30;

Independent auditor's report to the members of Aquis Exchange PLC (contd.)

- Directors' statement on fair, balanced and understandable, set out on page 37;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on page 22;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 36; and;
- The section describing the work of the audit committee, set out on page 38.

Responsibilities of Directors

As explained more fully in the Statement of directors' responsibilities set out on page 37, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the group and the parent company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: financial crime regulations and regulatory and supervisory requirements from the regulatory authorities where the group and company conduct their business, primarily the Financial Conduct Authority (FCA) and HM Revenue & Customs (HMRC).

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the group and the parent company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities, including the FCA and HMRC;
- Inspecting minutes of directors' meetings in the year;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit;
- Considering the risk of acts by the group and the parent company which were contrary to applicable laws and regulations, including fraud; and
- The group and company operates in the exchange industry which is a regulated environment. As such, the Senior Statutory Auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of experts where appropriate.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, the Companies Act 2006 and UK adopted International Accounting Standards (IAS).

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to revenue recognition (which we pinpointed to the cut-off of revenue for performance obligations realised over a period of time), judgements in the calculation and recognition of expected credit losses, recognition of shared based management compensation and consideration of significant one-off transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Remaining skeptical to potential management's bias through judgements and assumptions in significant accounting estimates; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

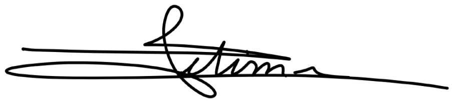
There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Pauline Pélissier (Senior Statutory Auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London

Date 20 March 2024

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Notes	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Profit and loss					
Revenue	10	**23,710,941**	19,929,527	**13,147,339**	10,342,525
Impairment credit/(charge) on contract assets	11	**(1,016,223)**	133,484	**(1,016,223)**	133,484
Impairment (charge) on trade and other receivables	11	**(79,395)**	(12,784)	**(59,608)**	-
Other gains	12	**51,407**	-	**51,407**	-
Operating expenses	12	**(16,396,478)**	(14,239,918)	**(6,874,123)**	(5,616,089)
Earnings before interest, taxation, depreciation and amortisation		**6,270,252**	5,810,309	**5,248,792**	4,859,920
Depreciation and amortisation	12	**(1,372,565)**	(1,259,492)	**(1,299,276)**	(1,187,569)
Finance expense	12, 25	**(103,249)**	(67,691)	**(88,571)**	(51,069)
Finance income	12	**400,449**	43,283	**127,447**	16,537
Profit before taxation		**5,194,887**	4,526,409	**3,988,392**	3,637,819
Income tax credit	14, 15	**7,789**	157,203	**49,837**	163,925
Profit for the year		**5,202,676**	4,683,612	**4,038,229**	3,801,744
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Foreign exchange differences on translation of foreign operations		(120,961)	181,370	-	-
Other comprehensive income for the year		(120,961)	181,370	-	-
Total comprehensive income for the year		**5,081,715**	**4,864,982**	**4,038,229**	**3,801,744**
Earnings per share (pence)					
Basic					
Ordinary shares	16	**19**	17	**15**	16
Diluted					
Ordinary shares	16	**19**	17	**14**	16

Consolidated statement of financial position

As at 31 December 2023

	Notes	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Assets					
Non-current assets					
Goodwill	17	**83,481**	83,481	**-**	-
Intangible assets	17	**1,501,885**	1,032,224	**1,501,885**	1,032,224
Property, plant and equipment	18	**3,818,841**	4,155,215	**3,350,793**	3,628,081
Investment in subsidiaries	19	**-**	-	**6,884,202**	6,884,202
Investments	20	**591,945**	-	**591,945**	-
Investment in trusts	21	**-**	-	**4,389,445**	3,350,325
Deferred tax asset	14	**1,785,331**	1,593,931	**1,506,022**	1,456,184
Trade and other receivables	22	**5,811,089**	5,352,110	**5,795,918**	5,329,674
		13,592,572	12,216,961	**24,020,210**	21,680,690
Current assets					
Trade and other receivables	22	**6,894,936**	4,135,426	**6,736,943**	10,571,256
Derivative financial instruments	5	**51,407**	-	**51,407**	-
Cash and cash equivalents	23	**14,765,910**	14,170,965	**6,356,259**	5,595,827
Total assets		**35,304,825**	30,523,352	**37,164,819**	37,847,773
Liabilities					
Current liabilities					
Trade and other payables	24	**4,471,470**	4,268,735	**3,665,932**	8,992,201
Net current assets		**17,240,783**	14,037,656	**9,478,677**	7,174,882
Non-current liabilities					
Lease liabilities	25	**2,457,105**	2,874,877	**2,100,483**	2,449,312
		2,457,105	2,874,877	**2,100,483**	2,449,312
Total liabilities		**6,928,575**	7,143,612	**5,766,415**	11,441,513
Net total assets		**28,376,250**	23,379,740	**31,398,404**	26,406,260
Equity					
Called up share capital	26	**2,751,678**	2,750,945	**2,751,678**	2,750,945
Share premium account	30	**11,809,757**	11,785,045	**11,809,757**	11,785,045
Other reserves	31	**2,741,589**	1,813,119	**2,741,589**	1,813,119
Treasury Shares	27	**(4,389,445)**	(3,350,325)	**-**	-
Retained earnings		**15,519,507**	10,316,831	**14,095,380**	10,057,151
Foreign currency translation reserve		**(56,836)**	64,125	**-**	-
Total equity		**28,376,250**	23,379,740	**31,398,404**	26,406,260

Alasdair Haynes
CEO

Richard Fisher
CFO

Statement of changes in equity

For the year ended 31 December 2023

Group	Notes	Share Capital	Share Premium	Share Based Payment Reserve	Retained Earnings	Treasury Shares	Foreign Currency Translation Reserve	Total
Balance at 1 January 2022		2,750,545	11,771,462	1,118,314	5,633,219	(1,526,835)	(117,245)	**19,629,460**
Profit for the year		-	-	-	4,683,612	-	-	**4,683,612**
Foreign exchange differences on translation of foreign operations		-	-	-	-	-	181,370	**181,370**
Total comprehensive income for the year		**-**	**-**	**-**	**4,683,612**	**-**	**181,370**	**4,864,982**
Issue of new shares	26, 30	400	13,583	-	-	-	-	**13,983**
Movement in share based payment reserve	31	-	-	694,805	-	-	-	**694,805**
Movement in treasury shares	27	-	-	-	-	(1,823,490)	-	**(1,823,490)**
Balance at 31 December 2022		**2,750,945**	**11,785,045**	**1,813,119**	**10,316,831**	**(3,350,325)**	**64,125**	**23,379,740**
Balance at 1 January 2023		**2,750,945**	**11,785,045**	**1,813,119**	**10,316,831**	**(3,350,325)**	**64,125**	**23,379,740**
Profit for the year		-	-	-	5,202,676	-		**5,202,676**
Foreign exchange differences on translation of foreign operations		-	-	-	-	-	(120,961)	**(120,961)**
Total comprehensive income for the year		**-**	**-**	**-**	**5,202,676**	**-**	**(120,961)**	**5,081,715**
Issue of new shares	26, 30	733	24,712	-	-	-	-	**25,445**
Movement in share based payment reserve	31	-	-	928,470	-	-	-	**928,470**
Movement in treasury shares	27	-	-	-	-	(1,039,120)	-	**(1,039,120)**
Balance at 31 December 2023		**2,751,678**	**11,809,757**	**2,741,589**	**15,519,507**	**(4,389,445)**	**(56,836)**	**28,376,250**

For the year ended 31 December 2023

Company	Notes	Share capital	Share premium	Share Based Payment Reserve	Retained Earnings	Total
Balance at 1 January 2022		2,750,545	11,771,462	1,448,430	6,255,407	**22,225,844**
Profit and total comprehensive income for the year		-	-	-	3,801,744	**3,801,744**
Issue of new shares	26, 30	400	13,583	-	-	**13,983**
Movement in share based payment reserve	31	-	-	364,689	-	**364,689**
Balance at 31 December 2022		**2,750,945**	**11,785,045**	**1,813,119**	**10,057,151**	**26,406,260**
Balance at 1 January 2023		**2,750,945**	**11,785,045**	**1,813,119**	**10,057,151**	**26,406,260**
Profit and total comprehensive income for the year		-	-	-	4,038,229	**4,038,229**
Issue of new shares	26,30	733	24,712	-	-	**25,445**
Movement in share based payment reserve	31	-	-	928,470	-	**928,470**
Balance at 31 December 2023		**2,751,678**	**11,809,757**	**2,741,589**	**14,095,380**	**31,398,404**

Statement of cash flows

For the year ended 31 December 2023

		Group		Company	
	Notes	**2023** **£**	2022 £	**2023** **£**	2022 £
Net cash flows from operating activities	28	**4,103,719**	**4,020,715**	**4,340,136**	**2,201,847**
Investing activities					
Recognition of intangible assets	17	(1,081,918)	(777,465)	(1,081,918)	(777,465)
Purchase of property, plant and equipment	18	(411,316)	(769,419)	(409,731)	(752,938)
Investment acquisitions	20	(591,945)	-	(591,945)	-
Interest received	12	384,712	28,722	112,154	2,416
Purchase of treasury shares		-	-	(1,196,309)	(1,955,720)
Net cash (used in) investing activities		**(1,700,467)**	**(1,518,162)**	**(3,167,749)**	**(3,483,707)**
Financing activities					
Issue of new shares	26, 30	25,445	13,983	25,445	13,983
Principal portion of lease liability	5, 25	(516,482)	(300,994)	(437,400)	(231,259)
Purchase of treasury shares		(1,196,309)	(1,955,720)	-	-
Net cash (used in) financing activities		**(1,687,346)**	**(2,242,731)**	**(411,955)**	**(217,276)**
Net increase/(decrease) in cash and cash equivalents		**715,906**	**259,822**	**760,432**	**(1,499,136)**
Cash and cash equivalents at the beginning of the year		14,170,965	14,046,399	5,595,827	7,094,963
Effect of exchange rate changes on cash and cash equivalents		(120,961)	(135,256)	-	-
Cash and cash equivalents at the end of the year		**14,765,910**	**14,170,965**	**6,356,259**	**5,595,827**

Notes to the Financial Statements

1. Significant Changes In The Reporting Period

The following events and transactions had an impact on the financial position and performance of the Group and/or Company during the period:

Operating segments (Note 6) have been split into four business divisions (previously three). Comparative disclosures for the prior year have been updated to ensure comparability between the two reporting periods.

2. Basis of preparation and accounting policies

Company information

Aquis Exchange PLC is a public limited company which is incorporated and domiciled in the United Kingdom. Its registered office is located at 63 Queen Victoria Street, London, EC4N 4UA. The Company Number is 07909192.

Accounting convention

The Group's consolidated and the Company's financial statements are prepared in accordance with UK-adopted international accounting standards and the Companies Act 2006 requirements.

The financial statements have been prepared on the historical cost basis as modified by the revaluation of financial instruments carried at fair value through profit and loss.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and thus continue to adopt the going concern basis of accounting in preparing the financial statements.

The Group has made an increased profit in 2023 against prior year and has substantial cash reserves and a strong balance sheet, due to high levels of investment within the Group. There has been a growth in revenue between the current year and comparative years. Additional revenue growth is projected for 2024, with profits forecasted for future years.

In making this assessment the Directors have considered their knowledge of internal sales pipelines alongside expected trends in European and UK securities markets. Future profitability is also considered from a cost perspective with assumptions used for inflation and interest rates affecting operating expenditures and interest income on bank deposits. The nature of Group costs are predictable and consistent to the extent that the Directors are able to rely on current cash positions in excess of regulatory minima to predict future cash positions.

There remains uncertainty over market conditions ahead when considering continued military action in Ukraine, intensifying conflict in the Middle East between Israel and Palestine and Houthi rebel activity affecting commerce in the Red Sea, in addition to national elections in many countries, and more specifically the upcoming General Election in the UK and Presidential Election in the US. In spite of these factors, Aquis has demonstrated resilience during uncertain market conditions and the Directors do not believe that there will be a material adverse effect on Group performance.

Taking the above into account, the principal risks discussed in the Strategic Report section of the Annual Report, the financial risks and mitigating actions taken by management (see Note 5), and the Group's current financial performance position, the Directors do not foresee any material uncertainty in the Group's ability to continue to prepare the financial statements on a going concern basis over a period of at least 12 months from the date of approval of these financial statements.

Consolidation

In preparing these financial statements, the group has applied the consolidation principles in IFRS 10, Consolidated Financial Statements. This requires the Group to consolidate subsidiary entities it controls. Control is determined based on the ability to direct the activities of the entity that significantly affect its returns.

The Group assesses control on a continuing basis and includes entities it controls as of the end of the reporting period.

The financial statements of the consolidated entities are prepared using consistent accounting policies and are presented as if they were a single economic entity. Intercompany transactions, balances, and unrealized gains and losses on transactions between consolidated entities are eliminated in full.

Notes to the Financial Statements (contd.)

The Group consolidated financial statements also include treasury shares and cash held by two separate trusts ("the Trusts") that administers the Company's employee share incentive plan and also hold shares purchased by the Group in preparation for future settlement of employee share awards made to date. The Trusts have been consolidated based on the IFRS 10 criteria for control over the Trust being met:

- The Trusts were established to (i) facilitate the acquisition and holding of shares under the Aquis Exchange PLC Share Incentive Plan and (ii) facilitate the acquisition and holding of shares under the Aquis Exchange PLC Restricted Share Plan.
- The activities of the Trusts are limited by the agreements in place; and
- The Trusts do not have any assets outside of the partnership share money received and the shares purchased. The use of any shares or cash that remain in the Trust funds once the trustee no longer holds any shares relating to the SIP,RSP or PPO, is directed by the company. The Trust itself has no rights to any dividends.

Accounting Policies

Revenue

Revenue comprises amounts derived from the provision of services which fall within the Company's ordinary activities. It represents amounts receivable for subscription fees, the licensing of software, the provision of data to third-party vendors, and fees relating to listings on the Aquis Stock Exchange (AQSE), all of which are net of value added tax. Revenue is recognised once the performance obligations for each activity have been satisfied.

All the revenue streams are generated by contracts with customers and revenue is therefore recognised in accordance with IFRS 15.

Revenue from exchange subscription-based services is recognised over time when the services are rendered.

Revenue from licensing contracts is assessed for each contract and split into five Performance Obligations (see Note 10 for further details on 'POs' and Note 4 for Judgements and estimates):

- Project Implementation / Design fees (PO1) recognised over time as the obligations are met;
- Licencing fees (PO2) recognised at a point in time when the licence is transferred to the customer;
- Maintenance fees (PO3) recognised over time as the obligations are met;
- Live services fees (PO4) recognised over time as the obligations are met;
- Hosting fees (PO5) recognised over time as the obligations are met.

Revenue from the provision of data to third-party vendors is comprised of the annual fees paid by the redistributors, member firms and multi-media firms for access to real time and/or end of day data, and is recognised over time. An additional monthly fee is received based on the number of users the vendors provide the data to each month. This additional monthly fee is variable and is based on usage for the prior month. The fee is charged in arrears and is recognised in the month it is incurred.

Revenue from AQSE issuer fees is comprised of initial application and admission fees, annual fees, and further issue fees, these are all recognised over time under IFRS 15 except further issue fees which are recognised at a point in time.

Application and admission fees are charged upfront to prospective companies admitted to AQSE markets. These are recognised monthly over the average expected life of company admission periods (further details about this estimate are set out in the following section).

Annual fees are paid upfront annually by companies with securities listed on AQSE and are recognised over the year.

Further issue fees are incurred by existing issuers who have already contributed an application and admission fee, and are recognised at a point in time on the date the new security is available for trade on AQSE.

Estimated listing period for Aquis Stock Exchange securities

In recognising application and admission fees, the Company determines the expected length of time each new security will be listed on AQSE. The estimate is based on historical analysis of listing durations in respect of the companies listed on AQSE. The length of time a security remains listed incorporates significant uncertainty as it is based on factors outside the control of the Company and which are inherently difficult to predict.

Based on the available information and incorporating management's predictions, it is currently estimated that an average security will remain listed for a period of 9 years. Application and admission fees are recognised monthly over a period of time.

It is estimated that a one year increase/decrease in the deferral period would cause an £8k decrease/£9k increase in annual revenue released respectively. The estimated listing periods will be reassessed at each reporting date to ensure they reflect the best estimates of the Group.

Intangible assets other than goodwill

Internally generated intangible assets

Internally developed intangible assets arising from the capitalisation of Research and Development expenditures, product analysis, quality assurance, and website development costs are recognised in the financial statements when all of the following criteria are met:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale is established;
- There is an intention to complete the intangible asset and use or sell it;
- The Group has the ability to use or sell the intangible asset;
- The existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset can be demonstrated;
- Adequate technical, financial and other resources are available to complete the development and to use or sell the intangible asset; and
- The Group has the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Where the above criteria are not met, costs incurred in research and development are recognised in the Statement of Comprehensive Income as incurred.

Amortisation is recognised in order to write off the cost or valuation of the assets, less their residual values over their useful lives. The development of trading platforms has been amortised over 3 years on a straight-line basis reflecting management's estimate of the useful life of the technology, the rationale of which is discussed in Note 4.

Website technology and communication licences

Website technology and communication licences represent externally acquired intangible assets and are recognised in the financial statements as the Group receives the right to control and use the product over a period of time. Website technology represents external development costs to design the Group's website. Communication licences relate to licences that transfer the right to obtain a benefit from intellectual property.

Amortisation on these assets is recognised over 3 years on a straight line basis which represents the estimated useful life of both types of asset.

Acquisition costs of customer lists and IP Addresses

The price of and acquisition costs incurred when obtaining customer lists and IP Addresses is capitalised in line with IAS 38. Management expects that future economic benefits are attributable to the entity over an indefinite term for these assets. Therefore, the useful economic life is considered indefinite and no annual amortisation is recognised. These assets are subsequently recognised as cost less impairment, and at each balance sheet date Management consider any indicators of impairment which would lead to a detailed impairment review to ascertain their carrying amount.

Business Combination

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at fair value. Acquisition-related costs are expensed as incurred and recognised as non-underlying transaction costs in the income statement.

Goodwill

In March 2020 the acquisition of AQSE gave rise to goodwill in the consolidated financial statements. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill is assessed for impairment annually, with any impairment charge recognised in the Statement Of Comprehensive Income. Note 17 provides further detail on the impairment assessment for goodwill as at 31 December 2023.

Notes to the Financial Statements (contd.)

Property, plant and equipment (excluding right-of-use assets)

All property, plant and equipment are stated at historical cost less depreciation or impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent expenditure is included in the asset's carrying amount or is recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to the income statement during the financial period in which they are incurred.

Depreciation is recognised so as to write off the cost or valuation of assets, less their residual values, over their useful lives on the following basis:

- Fixtures, fittings and equipment: 5 years straight line.
- Computer equipment: 3 - 7 years straight line.

Impairment of tangible and intangible assets

At each reporting end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Cash and cash equivalents

Cash and cash equivalents include cash at bank.

The Group and Company as regulated bodies are required to maintain liquid cash assets as part of their prudential reporting responsibilities to external regulators. During the financial year ended 31 December 2023 the Group was required to maintain £4,196k of available cash assets as part of its liquidity requirements (Company £1,710k). Further details of the Group's risk management approach to regulatory capital commitments is included in Note 5.

Financial assets

Trade and other receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business. Other receivables are defined as amounts due that are outside the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer) they are classified as current assets. Otherwise they are presented as non-current assets.

Contract assets

Contract assets are recognised for licensing fees recognised at inception of a licensing contract but not yet billed under IFRS 15. Contract assets are initially measured at fair value and subsequently measured at amortised cost and are stated net of any expected credit loss provision (ECL) recognised in accordance with IFRS 9, as detailed in Note 11. Contract assets are presented on the Statement of Financial Position as trade receivables. The right to consideration becomes unconditional once the customer has been billed.

Investments

At initial recognition, the group measures investments in equity instruments at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established. Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Rent deposit asset

Under IFRS 16 a rent deposit is accounted for as a financial asset if the collateral provided to the lessor is not a payment relating to the right to use the underlying assets and hence is not a lease payment as defined.

Further disclosures are provided in Note 25.

Impairment of financial assets

The Group has considered the impact of the application of an expected credit loss model when calculating impairment losses on current and non-current contract assets and other financial assets at amortised cost (presented within trade and other receivables). In applying IFRS 9 the Group must consider the probability of a default occurring over the contractual life of its trade receivables and contract asset balances on initial recognition of those assets. Note 11 details the Group's credit risk assessment procedures.

Financial liabilities

After initial recognition all financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. In 2023 the Group did not hold any Financial liabilities beyond Trade and other payables and the lease liabilities recognised under IFRS 16 as described in the "Leases" sub-section below.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade and other payables are not interest bearing and are initially recognised at fair value.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried at fair value with net changes in fair value reflected in the income statement. This category includes derivative instruments.

Equity instruments

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are charged against the share premium account.

Notes to the Financial Statements (contd.)

Earnings per share

The earnings per share (EPS) calculations are based on basic earnings per ordinary share as well as diluted earnings per ordinary share. The basic EPS is calculated by dividing the profit after tax of the Group by the weighted average number of ordinary shares that were in issue during the year. The diluted EPS takes into account the dilution effects which would arise on conversion of all outstanding share options and share awards under the Enterprise Management Incentive (EMI) scheme.

Taxation

The tax expense/(credit) represents the sum of the tax currently payable/(repayable) and movements in deferred tax balances.

An R&D tax credit is claimed annually from HMRC based on the employee costs involved in developing Aquis' systems and technology.

Current tax

The current income tax charge/(credit) is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future measurable taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities (Note 14) are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of group developed trading platforms.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits, as set out within IAS 19.

Retirement benefits

Pension obligations

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as an employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Share-based payments

EMI Options

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the US Options Binomial model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification.

Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is adjusted if the modified fair value is less than the original fair value. Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

Employee share incentive plan

Shares purchased under the share incentive plan are recognised as share-based payments under IFRS 2. Partnership shares are purchased by employees and matching shares are those purchased by Aquis at a ratio of 2:1. The shares are held in a trust ("the Trust"), with matching shares required to be held for three years before being transferred to the employee. The fair value of both the partnership and matching shares are recognised in the share-based payment reserve.

Partnership shares vest immediately while matching shares will vest over the three-year holding period. The market value of shares when they are purchased is assumed to approximate the fair value of the shares.

The cash transferred to the Trust is recognised as an investment in the Company's accounts. In line with IFRS 10 guidance, the Trust is consolidated in the Group accounts with the fair value of the shares held in the trust recognised as a debit entry within equity.

Restricted share plan

The Restricted share plan is a share based scheme awarded to staff and has a vesting period of three years after grant subject to continued employment. Similar to share-based payments they are measured at fair value determined at the grant date using the Black Scholes model. The fair value is expensed on a straight-line basis over the vesting period, with the corresponding adjustment being made to reserves.

Company Share Option Plan

The company share option plan is a share based scheme awarded to staff and has a vesting period of three years subject to continued employment. Similar to share-based payments they are measured at fair value determined at the grant date using the Black Scholes model. The fair value is expensed on a straight-line basis over the vesting period, with the corresponding adjustment being made to reserves.

Premium Priced Options Plan

The PPO scheme is an option based share scheme and has a vesting period of three years after the grant date subject to continued employment. Similar to share-based payments they are measured at fair value determined at the grant date using the Black Scholes model. The fair value is expensed on a straight-line basis over the vesting period, with the corresponding adjustment being made to reserves.

Leases - as a lessee

The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Notes to the Financial Statements (contd.)

The lease liability is presented as a separate line in the consolidated statement of financial position and is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. The right-of-use assets are included in property, plant and equipment in the consolidated statement of financial position and are depreciated over the term of the lease. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Impairment of tangible and intangible assets' policy. Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset.

Foreign exchange

Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entity operates. The financial statements are presented in UK Pound Sterling (£), which is the Group's functional and presentational currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

All foreign exchange gains and losses recognised in the income statement are presented net within 'operating expenses'. For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the reporting date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a foreign exchange translation reserve.

On disposal of a foreign operation, exchange differences previously recognised in other comprehensive income are reclassified to the income statement.

Foreign currency contracts used to manage foreign currency risk are accounted for as derivatives as described above under "Financial instruments at fair value through profit or loss".

3. Adoption of new and revised standards and changes in accounting policies

New IFRS Standards that are effective for the current year

There were no new standards effective during the year ended 31 December 2023. One standard has been amended and is effective as of 2023 as set out below. This has not impacted the current year financial statements.

IFRIC agenda decision - Definition of a lease	Substitution Rights (IFRS 16) - effective 1 Apr 2023

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue. The Directors do not expect that the adoption of the Standards listed below will have any impact on the financial statements of the Group in future periods:

Amendments to IAS 21	The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Issued August 2023) - effective 1 Jan 2025
IFRS S2	Climate-related disclosures (Issued June 2023) - effective 1 Jan 2024

Notes to the Financial Statements (contd.)

4. Critical accounting estimates and judgements

In applying the Group's accounting policies, which are described in Note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. Management has shown these matters as judgements where they relate to a significant policy and the judgement has a material impact on the reported balance. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Judgements in relation to performance obligations

In making their judgement, the Directors considered the detailed criteria for the recognition of revenue set out in IFRS 15, and in particular, whether revenue is recognised at a point in time or over time. Following an assessment of the technology licensing contract portfolio, and the obligations that Aquis has under each contract, the Directors are satisfied that obligations contained therein be split into the following performance obligations, and that the revenue from each licensing contract should be assessed individually. The identified performance obligations and the timing of revenue recognition on delivering the licence contracts as follows:

- Implementation/ project fees: these are upfront, non-refundable fees that a customer pays in order to obtain the user agreement. Even if the user acceptance certificate is never issued, the implementation fee cannot be reclaimed and so the revenue is guaranteed and can be recognised from the time of invoice as Aquis becomes unconditionally entitled to payment but in practice recognition will often be deferred until the work is completed.
- Licensing fees: The customer is liable to pay the monthly licensing fee from the date of signing the user acceptance agreement (contract inception date). At this point in time Aquis has fulfilled its promise to deliver the licence (i.e. the system has been deployed in the client's production environment) and this performance obligation is fulfilled. Management uses judgement when assessing the recoverability of the licencing fees, and recognises them only when their collection is assumed to be highly probable. This assessment takes into consideration the current status of the client's business, including whether the exchange system is active with products/ securities added and members trading on it. The licensing fees are recognised at a point in time, which occurs after the contract is signed and once Aquis is satisfied that receiving the licencing fees is highly probable.
- Maintenance fees: fees to maintain the system are recognised over the course of the licensing contract as Aquis fulfils its performance obligation to maintain the system. Management have estimated a fixed annual amount per contract, which reflects the time spent supporting the client's platform and upgrading the software in accordance with the contractual terms.
- Live services: fees charged to support infrastructure, operations, and first-line market surveillance as part of running regulatory grade exchanges. These services are recognised over time when Aquis provides the service.
- Hosting: these fees are charged for the use of Aquis' hardware on a monthly basis. These services are recognised over time as the customer requires.

Changes in identification of performance obligations could impact the timing of revenue recognition for licensing contract assets and is thus a critical accounting judgement.

Capitalisation of internally generated intangible assets resulting from Research and Development

Internally generated intangible assets are capitalised when, in management's judgement, the criteria for capitalisation under IAS 38 (listed in Note 2) have been met. The direct costs incurred in the research and development of Aquis' exchange platform and associated technology and systems are capitalised. Management reviews the time spent by the development team in developing and maintaining the systems used internally by Aquis when determining the amount to be capitalised within each period.

Critical accounting estimates

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimating the useful life of intangible assets

The expected useful life of most intangible asset is estimated to be 3 years, but some intangible assets are considered to have an indefinite useful economic life. In making this judgement management have taken into account product upgrade cycles, the pace of change of regulation as well as benchmarking against other companies with internal systems and technology research and development. Intangible assets with indefinite lives are reviewed for indicators of impairment at the end of each accounting period.

Expected credit loss of contract assets

An impairment for the expected credit loss of contract assets that arise as a result of applying IFRS 15 to licensing revenue is required under IFRS 9. This impairment is an accounting estimate which is calculated based on the Directors' best estimates of the probability of default and loss given default. The quantification of the assumptions and stresses for the year are disclosed in Note 11 of the financial statements.

In arriving at these estimates, the Directors have assessed the range of possible outcomes using reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Aquis' assessment of the credit risk associated with a licensing customer is conducted at inception of the contract (but before the user agreement is signed) and includes factors that are specific to the customer, general economic conditions and an assessment of both the current as well as the forecast direction of these conditions.

The credit risk assessment is conducted by means of a take-on assessment which comprises of a series of relevant criteria for a licensing contract that are scored according to the specific circumstances of the customer, with scores for each parameter typically ranging from 1-5. The assessment evaluates the following:

- Level of funding;
- Regulatory approvals;
- Market, industry and business model;
- Macro-economic forecasts;
- Corporate governance/Group management;
- Whether the client is revenue generating;
- Level of client profitability;
- Contract length and the associated range of economic scenarios therein;
- Payment history; and
- External credit ratings.

The above assessment will determine the customer category upon inception of the contract, and the inputs to the expected credit loss model is determined thereon.

The credit risk assessment and associated inputs to the expected credit loss model (probability of default and loss given default) are critical assessments that could impact both the provision for expected credit losses as well as the movement in the provision reflected in the income statement.

Notes to the Financial Statements (contd.)

Deferred tax asset

Deferred tax assets (Note 14) are recognised to the extent that their utilisation is probable. The utilisation of deferred tax assets will depend on whether it is possible to generate sufficient taxable income in the respective tax type and jurisdiction. A total net deferred tax asset is recognised in the current period, since profitability is expected to continue for at least the next 3 years. The deferred tax asset is calculated based on expected profitability over this period as Aquis is a high growth company and there is considerable uncertainty in estimating financial performance beyond this length of time.

Various factors are used to assess the probability of the future utilisation of deferred tax assets, including, operational plans and loss-carry forward periods. To reflect the uncertainty in the accuracy of business forecasts, the model uses modest growth rates and applies a probability weighting to each type of revenue.

Share-based payments

The US binomial model and Black Scholes model are used to estimate the fair value of the EMI, CSOP, RSP and PPO options. The resulting fair values are recognised over the vesting period as an expense in the Income Statement, with the corresponding amounts recognised as equity in the balance sheet. The model requires the following inputs: grant date, exercise price, expiry, expected life of options, expected volatility, and the risk-free interest rate. The expected life and expected volatility require the use of estimates. Volatility is estimated based on the historical average for the available data up to the grant date, while the expected life of the options is based on management's judgement of when the options will be exercised, which is assumed to be an average of 5 years.

Valuation of derivatives

The company uses foreign currency forwards to manage its exposure to exchange rate fluctuations. Although in the current period the reported value is immaterial, there is potential for changes based on large currency or relative interest rate shifts. As such, they are a source of estimation uncertainty. Note 24 provides additional information on the fair value of derivatives.

5. Financial risk management

The Group seeks to protect its financial performance and the value of its business from exposure to adverse changes in capital commitments, as well as credit, liquidity and foreign exchange risks.

The Group's financial risk management approach is not speculative. The Group's Audit, Risk and Compliance Committee provides assurance that the governance and operational controls are effective to manage risks within the Board-approved risk appetite, supporting a robust Group risk management framework.

The Group's objectives when managing these risks are detailed below.

Capital risk management and capital commitments

Risk description	Risk management approach
There is a risk that Group entities may not maintain sufficient capital to meet their obligations. The Group comprises regulated entities. It considers that increases in the capital requirements of its regulated companies, or a scarcity of equity (driven by its own performance or financial market conditions) either separately or in combination are the principal risks to managing its capital. AQXE has a total capital regulatory requirement of £5.2m as at 31 December 2023, with available capital of £26.4m, reflecting a surplus of £20.1m/ 478%. The total regulatory requirement is set as the total capital ratio plus Pillar 2 add on. Within the AQSE subsidiary the capital regulatory minima is set by the FCA through the Financial Resource Requirement (FRR) which is currently set at £2.4m. Financial resources available (representing net assets) were £2.8m at 31 December 2022, reflecting a £0.4m headroom above regulatory minima.	Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern so that it can provide returns for shareholders and benefits for other stakeholders. The Group has mitigated the level of risk significantly by ensuring that, as set out within the risk description, each entity in the Group maintains a level of capital that is well in excess of regulatory requirements. Maintaining a strong capital structure is a key priority for the Group. If there was an erosion of capital for any reason the Group may issue new shares or sell assets to ensure capital adequacy requirements continue to be met. The directors have assessed the impact of a 10% fall in the Group's available capital and concluded the impact not to be material. The Group supports both Aquis Europe and AQSE in maintaining capital adequacy, and holds sufficient capital to be able to inject capital into the businesses as and when required, and has historically done so within AQSE after the Company had been acquired to enable its capital to be sufficient as the company was brought up to the current profitable trading levels evidenced from 2022. The Group continuously monitors its level of capital in order to ensure it remains compliant with regulatory capital requirements and performs monthly and quarterly reporting on capital balances and associated headroom. Proposed investment requirements, capital expenditure and potentially increasing capital resources through equity or debt issuance are assessed annually as part of the budgeting process, as well as on an ad-hoc basis as required.

Notes to the Financial Statements (contd.)

Credit risk

Risk description	Risk management approach
The Group's credit risk relates to its customers being unable to meet their obligations to the Group either in part or in full.	The Directors make a judgement on the credit quality of the Group's customers based upon the customers' financial position, the recurring nature of billing and collection arrangements and, historically, a low incidence of default. Aquis' assessment of the credit risk associated with a licensing customer is conducted at inception of the contract (but before the user agreement is signed) and includes factors that are specific to the customer, general economic conditions and an assessment of both the current as well as the forecast direction of these conditions. Based on this assessment, the prospective customer is assigned to a customer category with an appropriate risk rating. Aquis' credit risk management processes are applied to all trade receivables and are calculated using a lifetime ECL method, as detailed in Note 11. The Directors have stress tested the current approach to managing this risk and believe it to be appropriate. If 10% of trade receivables outstanding from 31 December 2023 were to default, the hypothetical impairment charge would be immaterial.

Liquidity Risk

Risk description	Risk management approach
The Group's operations are exposed to liquidity risk to the extent that they are unable to meet their daily payment obligations.	The Group maintains sufficient liquid resources to meet its financial obligations as and when they become due in the ordinary course of business. Management monitors forecasts of the Group's cash flow quarterly through an assessment of cash resources that are in excess of regulatory capital requirements. The Group is solvent with net current assets in excess of £17.2 million (2022: £14.0 million), with the majority of the debtor's book being short term in nature. The Group is also funded entirely by equity, with no external debt funding obligations to be met. The Directors have stress tested the current approach to managing this risk and believe it to be appropriate. If group net assets were to fall by 10% there would still be a significant surplus to meet the Group's liabilities as they fall due.

Interest Rate Risk

Risk description	Risk management approach
The Group is not materially exposed to market risk including interest rate (see below for FX risk). There is no negative exposure to interest rate changes since the Group and Company have no external debt obligations, and the interest rate on the lease liability is the rate implicit in the lease and as such is not subject to change over the term of the lease.	Bank deposits are primarily placed over night or as interest rates have risen the Group has started to prudently place some funds on deposit for up to 3 months. The Directors have stress tested the current approach to managing this risk and believe it to be appropriate. The only adverse impact would be if interest rates were to fall and reduce interest income on bank deposits. As at 31 December 2023 total interest income on deposits was £0.4 million (2022: £0.1 million).

FX Risk

Risk description	Risk management approach
The Group operates in the UK and Europe, with Sterling as its principal currency of operation. The Group invoices its customers primarily in GBP, but some contracts have been structured using USD and as such foreign exchange risk arises from invoicing in USD. The Group incurs the majority of expenses in GBP, but some costs are denominated in USD and EUR. The value of the USD denominated contract is considered material to Group and Company's balance sheet. However, the foreign exchange exposure for costs invoiced in other currencies is considered immaterial. An immaterial amount of cash held by Aquis Exchange Europe SAS is held in a euro denominated bank account and an immaterial amount of USD held by Aquis Exchange PLC, with the remaining cash held in Sterling denominated bank accounts.	Foreign exchange risk has previously arisen on foreign currency denominated costs within Aquis Exchange PLC or through the translation of GBP denominated balances within Aquis Exchange SAS. At the end of 2022 Aquis entered into a USD denominated technology contract and hence opened a USD account which holds a low level of USD at the year end £0.2 million (2022: £0.2 million). The contract will deliver USD cash flows in the future from 2023 and so in January 2023 Aquis entered into an FX forward arrangement to lock in the future GBP benefit of this contract. As at the year end at 31 December 2023 the value of the FX forward was in the money at £51,407 (2022: nil). The Directors performed stress testing on the cost base of the group in non-functional currencies and concluded that an adverse movement of 10% versus GBP would not render a material impact.

Notes to the Financial Statements (contd.)

The statement of financial position is analysed below:

Group	Amortised Cost	Fair Value through P&L	Fair Value through OCI	Non-financial instruments	Total in the Statement of Financial Position
31 December 2023					
Trade and other receivables	3,033,440	-	-	9,672,585	12,706,025
Cash and bank balances	14,765,910	-	-	-	14,765,910
Investments	-	-	591,945	-	591,945
Trade and other payables	2,632,181	-	-	1,311,950	3,944,131
Lease Liabilities	2,984,444	-	-	-	2,984,444
Derivatives	-	51,407	-	-	51,407
31 December 2022					
Trade and other receivables	2,317,384	-	-	7,170,152	9,487,536
Cash and bank balances	14,170,965	-	-	-	14,170,965
Trade and other payables	2,022,394	-	-	1,723,541	3,745,935
Lease Liabilities	3,397,677	-	-	-	3,397,677
Derivatives	-	-	-	-	-

Company	Amortised Cost	Fair Value through P&L	Fair Value through OCI	Non-financial instruments	Total in the Statement of Financial Position
31 December 2023					
Trade and other receivables	3,009,785	-	-	9,523,076	12,532,861
Cash and bank balances	6,356,259	-	-	-	6,356,259
Investments	-	-	591,945	-	591,945
Trade and other payables	2,971,755	-	-	256,777	3,228,532
Lease Liabilities	2,537,883	-	-	-	2,537,883
Derivatives	-	51,407	-	-	51,407
31 December 2022					
Trade and other receivables	8,539,250	-	-	7,361,680	15,900,930
Cash and bank balances	5,595,827	-	-	-	5,595,827
Trade and other payables	8,082,958	-	-	471,843	8,554,801
Lease Liabilities	2,886,712	-	-	-	2,886,712
Derivatives	-	-	-	-	-

The following tables detail the Group and Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group or Company can be required to pay.

Group	1 Year	2-5 years	5+ years	Total
31 December 2023				
Trade and other payables	3,944,131	-	-	3,944,131
Lease Liabilities	527,339	1,599,056	1,337,759	3,464,154
	4,471,470	**1,599,056**	**1,337,759**	**7,408,285**
31 December 2022				
Trade and other payables	3,745,935	-	-	3,745,935
Lease Liabilities	522,800	1,580,900	1,293,977	3,397,677
	4,268,735	1,580,900	1,293,977	7,143,612

Company	1 Year	2-5 years	5+ years	Total
31 December 2023				
Trade and other payables	3,228,532	-	-	3,228,532
Lease Liabilities	437,400	1,239,300	1,202,850	2,879,550
	3,665,932	**1,239,300**	**1,202,850**	**6,108,082**
31 December 2022				
Trade and other payables	8,554,801	-	-	8,554,801
Lease Liabilities	437,400	1,239,300	1,210,012	2,886,712
	8,992,201	1,239,300	1,210,012	11,441,513

6. Operating segments

The Aquis Group can be split into four revenue streams, each offering multiple products and services and benefitting from Group synergies. The specific focus of these activities are:

1) Aquis Exchange – operator of MTF and related services. The Group operates two MTFs: Aquis Exchange (AQXE), which is UK regulated and Aquis Exchange Europe (AQEU), which is French regulated;
2) Aquis Stock Exchange (AQSE) – primary listings and trading business. Within this division is AQSE Main Market, AQSE Growth Market and AQSE Trading;
3) Aquis Technologies – developer of exchange technology and services. The product offering includes Aquis Matching Engine, Aquis Market Surveillance, Aquis Market Gateway and related services including market surveillance and operations.
4) Aquis Data – Market Data services across the MTF and Recognised Investment Exchanges operated by Group entities.

Aquis Exchange PLC is the parent company and comprises AQXE and Aquis Technologies. It owns 100% of its two subsidiaries, AQEU and AQSE. Management monitors the Group's overall performance regularly using a set of established Key Performance Indicators including revenue, net profit and EBITDA. When monitoring the performance of each operating segment individually, management examines the discrete financial information available which will normally include revenue and gross profit for each division. Assets and liabilities, income tax and IFRS 2 charges are not reported internally to Chief Operating Decision Maker. In line with IFRS 8 the operating segments are reported separately as follows:

2023 Group	Aquis Exchange	Aquis Stock Exchange	Aquis Technologies	Aquis Data	Total
Revenue	10,919,263	1,771,284	7,298,157	3,722,237	23,710,941
Impairment credit/(charge) on Contract Assets	-	-	(1,016,223)	-	(1,016,223)
Net revenue	**10,919,263**	**1,771,284**	**6,281,934**	**3,722,237**	**22,694,718**
Impairment (charge) on trade and other receivables	-	(19,787)	(58,108)	(1,500)	(79,395)
Other gains	-	-	51,407	-	51,407
Costs	(7,134,010)	(1,634,472)	(3,550,170)	(2,992,168)	(15,310,820)
Share based payments	(499,963)	(81,102)	(334,162)	(170,431)	(1,085,658)
EBITDA	**3,285,290**	**35,923**	**2,390,901**	**558,138**	**6,270,252**
Depreciation, amortisation and net interest	(292,793)	4,626	(583,951)	(203,247)	(1,075,365)
Profit before tax	**2,992,497**	**40,549**	**1,806,950**	**354,891**	**5,194,887**

2022 Group	Aquis Exchange	Aquis Stock Exchange	Aquis Technologies	Aquis Data	Total
Revenue	10,244,767	1,647,195	5,034,579	3,002,986	19,929,527
Impairment credit/(charge) on Contract Assets	-	-	133,484	-	133,484
Net revenue	**10,244,767**	**1,647,195**	**5,168,063**	**3,002,986**	**20,063,011**
Impairment (charge) on trade and other receivables	-	(12,784)	-	-	(12,784)
Other gains	-	-	-	-	-
Costs	(6,485,855)	(1,446,507)	(3,037,456)	(2,450,228)	(13,420,046)
Share based payments	(377,564)	(61,247)	(252,354)	(128,707)	(819,872)
EBITDA	**3,381,348**	**126,657**	**1,878,253**	**424,051**	**5,810,309**
Depreciation, amortisation and net interest	(488,177)	(103,202)	(507,527)	(184,994)	(1,283,900)
Profit before tax	**2,893,171**	**23,455**	**1,370,726**	**239,057**	**4,526,409**

The tables above represent the segment-level information that is monitored by the Chief Operating Decision Makers, which are the Chief Executive Officer, Chief Operating Officer and the Chief Financial Officer. All non-current assets (contract assets) are held centrally by Aquis Exchange PLC, other than the lease for the Paris office assigned to AQEU. The geographical analysis of the non-current assets is as follows; UK: £5,817k, Singapore: £3,099k and South Africa: £1,928k, Total: £10,844k.

At a Group level revenue from any one customer does not exceed 10% of total Group Revenue (2022: none). At a Company level revenue from two technology licence customers exceeded 10% of total Company revenues, and amounted to £4,171k (2022: £3,383k).

Notes to the Financial Statements (contd.)

2023 Company	Aquis Exchange	Aquis Stock Exchange	Aquis Technologies	Aquis Data	Total
Revenue	3,994,208	-	7,298,157	1,854,974	13,147,339
Impairment credit/(charge) on Contract Assets	-	-	(1,016,223)	-	(1,016,223)
Net revenue	**3,994,208**	**-**	**6,281,934**	**1,854,974**	**12,131,116**
Impairment (charge) on trade and other receivables	-	-	(58,108)	(1,500)	(59,608)
Other gains	-	-	51,407	-	51,407
Costs	(742,211)	-	(3,550,170)	(1,496,084)	(5,788,465)
Share based payments	(499,963)	(81,102)	(334,162)	(170,431)	(1,085,658)
EBITDA	**2,752,034**	**(81,102)**	**2,390,901**	**186,959**	**5,248,792**
Depreciation, amortisation and net interest	(579,451)	4,626	(583,951)	(101,624)	(1,260,400)
Profit before tax	**2,172,583**	**(76,476)**	**1,806,950**	**85,335**	**3,988,392**

2022 Company	Aquis Exchange	Aquis Stock Exchange	Aquis Technologies	Aquis Data	Total
Revenue	3,894,736	-	4,970,622	1,477,167	10,342,525
Impairment credit/(charge) on Contract Assets	-	-	133,484	-	133,484
Net revenue	**3,894,736**	**-**	**5,104,106**	**1,477,167**	**10,476,009**
Impairment (charge) on trade and other receivables	-	-	-	-	-
Other gains	-	-	-	-	-
Costs	(533,647)	-	(3,037,456)	(1,225,114)	(4,796,217)
Share based payments	(377,564)	(61,247)	(252,354)	(128,707)	(819,872)
EBITDA	**2,983,525**	**(61,247)**	**1,814,296**	**123,346**	**4,859,920**
Depreciation, amortisation and net interest	(598,622)	(23,455)	(507,527)	(92,497)	(1,222,101)
Profit before tax	**2,384,903**	**(84,702)**	**1,306,769**	**30,849**	**3,637,819**

7. Employees

The monthly average number of persons (including directors) employed by the Group during the year was:

Group	2023 Number	2022 Number
Management	**3**	3
IT	**23**	20
Compliance and Surveillance	**13**	11
Operations	**8**	7
Business Development	**21**	18
Finance/HR/Admin	**5**	5
Marketing	**2**	2
	75	66

Company	2023 Number	2022 Number
Management	**2**	2
IT	**21**	18
Compliance and Surveillance	**6**	5
Operations	**8**	7
Business Development	**13**	10
Finance/HR/Admin	**5**	5
Marketing	**2**	2
	57	49

Their aggregate remuneration was comprised of:

Group	2023 £	2022 £
Salaries and wages	**7,523,034**	6,598,428
Social security costs	**1,056,857**	967,032
Other pension costs	**314,281**	159,366
Share based payments	**1,085,658**	819,872
Employee benefits	**238,727**	170,102
	10,218,557	8,714,800

Company	2023 £	2022 £
Salaries and wages	**5,264,174**	4,698,746
Social security costs	**766,553**	680,908
Other pension costs	**207,351**	116,151
Share based payments	**1,085,658**	819,872
Employee benefits	**238,723**	169,596
	7,562,459	6,485,273

Notes to the Financial Statements (contd.)

8. Retirement benefit scheme

Defined contribution schemes

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

9. Directors remuneration

Further details on Directors' remuneration are included within the Directors' Report (see page 51).

Company	**2023** **£**	2022 £
Short-term employee benefits	**1,096,773**	1,063,558
Additional salary in lieu of pension contributions	**26,465**	23,631

Remuneration disclosed above include the following amounts paid to the highest paid director:

Company	**2023** **£**	2022 £
Short-term employee benefits	**419,001**	420,501
Additional salary in lieu of pension contributions	**14,000**	12,500

There are no directors to whom retirement benefits are accruing in respect of qualifying services. No directors exercised share options in the year (2022: none).

10. Revenue

An analysis of the Group's revenue by product for each segment is as follows:

2023 Group	Aquis Markets	Aquis Technologies	Aquis Data	Aquis Stock Exchange	Total
Exchange fees	10,919,263	-	-	663,068	11,582,331
Licence fees	-	7,298,157	-	-	7,298,157
Data vendor fees	-	-	3,722,237	-	3,722,237
Issuer fees	-	-	-	1,108,216	1,108,216
Total	**10,919,263**	**7,298,157**	**3,722,237**	**1,771,284**	**23,710,941**

2022 Group	Aquis Markets	Aquis Technologies	Aquis Data	Aquis Stock Exchange	Total
Exchange fees	10,244,767	-	-	624,675	10,869,442
Licence fees	-	5,034,579	-	-	5,034,579
Data vendor fees	-	-	3,002,986	-	3,002,986
Issuer fees	-	-	-	1,022,520	1,022,520
Total	**10,244,767**	**5,034,579**	**3,002,986**	**1,647,195**	**19,929,527**

2023 Company	Aquis Markets	Aquis Technologies	Aquis Data	Aquis Stock Exchange	Total
Exchange fees	3,994,208	-	-	-	3,994,208
Licence fees	-	7,298,157	-	-	7,298,157
Data vendor fees	-	-	1,854,974	-	1,854,974
Issuer fees	-	-	-	-	-
Total	**3,994,208**	**7,298,157**	**1,854,974**	**-**	**13,147,339**

2022 Company		Aquis Technologies	Aquis Data	Aquis Stock Exchange	Total
Exchange fees	3,894,736	-	-	-	3,894,736
Licence fees	-	4,970,622	-	-	4,970,622
Data vendor fees	-	-	1,477,167	-	1,477,167
Issuer fees	-	-	-	-	-
Total	**3,894,736**	**4,970,622**	**1,477,167**	**-**	**10,342,525**

Notes to the Financial Statements (contd.)

Revenues from customers attributable to each of the following countries

	Group		Company	
	2023 **£**	2022 £	**2023** **£**	2022 £
Country				
Australia	**57,000**	41,675	**33,567**	26,406
British Virgin Islands	**3,625**	14,467	**-**	-
Canada	**4,150**	11,853	**-**	-
Cayman Islands	**-**	1,160	**1,422**	1,119
China	**142,000**	-	**-**	-
Colombia	**39,329**	-	**-**	-
Cyprus	**-**	7,887	**-**	-
Denmark	**32,238**	-	**-**	-
Finland	**24,000**	-	**-**	-
France	**1,215,591**	1,128,945	**179,094**	140,887
Germany	**425,349**	319,888	**106,432**	83,726
Gibraltar	**4,000**	-	**-**	-
Guernsey	**2,100**	1,972	**-**	-
Hong Kong	**24,000**	107,525	**105,681**	83,135
Hungary	**35,000**	-	**-**	-
Ireland	**1,517,301**	91,177	**103,278**	81,245
Isle of Man	**825**	-	**-**	-
Italy	**24,000**	-	**-**	-
Jersey	**1,300**	10,207	**-**	-
Kenya	**14,150**	-	**-**	-
Luxembourg	**2,177**	17,398	**21,336**	16,784
Netherlands	**158,239**	43,147	**54,841**	43,141
Norway	**38,025**	39,784	**-**	-
Peru	**-**	1,972	**-**	-
Singapore	**483,311**	-	**-**	-
Slovenia	**-**	2,706	**-**	-
South Africa	**109,245**	2,514,905	**3,074,384**	2,418,504
Spain	**79,872**	-	**-**	-
Sweden	**24,000**	6,496	**7,965**	6,266
Switzerland	**222,330**	184,437	**113,107**	88,977
United Arab Emirates	**-**	17,746	**-**	-
United Kingdom	**17,432,294**	13,602,675	**7,955,010**	6,257,912
United States	**1,595,490**	1,761,505	**1,391,222**	1,094,423
	23,710,941	19,929,527	**13,147,339**	10,342,525

NOTES TO THE FINANCIAL STATEMENTS

Subscription fees and data vendor fees:

Subscription fees and some data vendor fees are accounted for under IFRS 15 and are all recognised at point in time as they reflect variable revenue determined on a monthly basis. In addition to the variable monthly fee some AQSE data vendors pay an annual fee for access to real time and/or end of day data, which is recognised over time as the performance obligation of providing data is fulfilled.

The Group begins to recognise monthly subscription fees, data vendor fees, and connectivity fees when the customer conformance test is satisfactorily concluded, and an acceptance certificate is issued. This is then verified by the customer starting to utilise the platform, which is the point in time that the Group determines that the customer has received the benefit from the service.

In the case of subscription, connectivity and data fees, invoices are raised monthly in arrears and there is no obligation for a refund, return or any other similar obligation. There is no constrained variable consideration in any customer contracts, and the transaction price is allocated in full at a single point in time when the customer receives the benefit from the services.

Licence fees and contract assets:

Aquis Exchange PLC provides technology services under licence to clients. The services comprise the provision of an exchange platform and / or a surveillance system and may also include support services comprising basic infrastructure support or additional services. The duration of the licences varies between 1 and 7 years and will consist of an implementation fee, and, post implementation, a monthly licence fee for the duration of the contract. The monthly fees also cover system maintenance and system upgrades that typically occur every 12 – 18 months. The licensing contracts are accounted for under IFRS 15 and any corresponding contract assets are subject to IFRS 9 provisioning, as disclosed further in Note 11. Contract liabilities arise when consideration has been provided to Aquis prior to completion of relevant performance obligations as outlined below. These balances typically arise when customers pay in advance of implementation. As of the balance sheet date there are no contract liabilities (2022: nil).

The revenue from licensing contracts with customers has been categorised reflecting the nature, amount, customer categorisation (see also Note 4), contract duration and uncertainty of revenue and cash flows. Revenue from licensing contracts is assessed for each contract and is recognised as and when each performance obligation is satisfied. A transaction price is determined by the contractual terms of an agreement. Transaction prices are allocated to each performance obligation based on the standalone price of the product or service offered by the Group. The list of performance obligations included within Aquis' Technology Licence agreements is outlined below.

For licensing contracts, the Company has assessed the expected credit loss of each client individually. The transaction price is allocated according to the Group's obligations to the client over the course of licence period. There is no constrained variable consideration in any customer contracts.

The licensing fees line item also includes connectivity fees for licensing contract customers that are recognised at a point in time as they reflect variable revenue determined on a monthly basis, and are underpinned by a separate agreement.

Contract Assets (Group and Company)	2023 £	2022 £
As at 1 January	**6,114,105**	3,528,400
PO2: Licence fees	**5,419,476**	3,805,388
PO3: Maintenance fees	**449,533**	315,687
ECL provisions on contract assets	**(1,016,223)**	133,484
Transfers to trade receivables	**(2,345,265)**	(1,756,638)
Adjustments for foreign exchange gains	**(141,182)**	87,784
As at 31 December	**8,480,444**	6,114,105

The scope of a Technology Licence contract was amended during the year which resulted in cumulative catch-up adjustments of £86,400 (2022: £191,000) being recognised in the year despite satisfaction of their performance obligation in prior periods.

Upon invoicing of revenues the right to consideration becomes unconditional and thus contract asset balances have been reduced for balances transferred to trade receivables. The unrecovered amount included in receivables is £626,607 (2022: £462,463).

Performance obligation (PO)	Recognition of revenue upon completion
PO1: Implementation fees	Implementation/ project fees are upfront, non-refundable fees that a customer pays in order to obtain the user agreement. Even if the user acceptance certificate is never issued, the implementation fee cannot be reclaimed and so the revenue is guaranteed and can be recognised at the time of invoice as Aquis becomes unconditionally entitled to payment.
PO2: Licencing fees	At a point in time upon signing the user acceptance agreement, as the Company has fulfilled its promise to deliver the licence (i.e. the system has been deployed in the client's production environment). A corresponding contract asset (trade receivable) is recognised to reflect the customer's obligation to pay the monthly licensing fee over the remaining term of the contract.
PO3: Maintenance fees	Over the course of the licensing contract, as the performance obligation to maintain the system is settled and the customer benefits from using the system.
PO4: Live services fees	Over the course of the licensing contract, as the performance obligation to provide surveillance and similar core market operations tasks are settled and the customer benefits over time.
PO5: Hosting fees	Over the course of the licensing contract, as the performance obligation to use Aquis' hardware and infrastructure is used over time by the customer.

The aggregate amount of the transaction price per customer category that has been allocated to the performance obligations for the year is as follows:

	2023					
Group and Company	**£**	**£**	**£**	**£**	**£**	**£**
Risk Category[1]	**1**	**2**	**3**	**4**	**5**	**Total**
PO1	65,000	500,000	280,630	-	-	845,630
PO2	2,550,000	2,027,500	85,586	756,390	-	5,419,476
PO3	62,457	239,453	125,000	22,623	-	449,533
PO4	-	-	-	-	-	-
PO5	-	42,000	-	-	-	42,000
	2,677,457	2,808,953	491,216	779,013	-	6,756,639

	2022					
Group and Company	**£**	**£**	**£**	**£**	**£**	**£**
Risk Category[1]	1	2	3	4	5	Total
PO1	-	-	236,842	-	-	236,842
PO2	-	191,000	3,382,792	231,596	-	3,805,388
PO3	-	315,687	-	-	-	315,687
	-	506,687	3,619,634	231,596	-	4,357,917

The amount of revenue to be recognised from unsatisfied performance obligations with Technology Licence customers is as follows:

Group and Company	**2024**	**2025**	**2026**	**2027-2030**	**Total**
As at 31 December 2023	**£**	**£**	**£**	**£**	**£**
PO3	671,465	437,931	437,931	823,254	2,370,581
PO4	70,000	120,000	120,000	230,000	540,000
PO5	231,000	-	-	-	231,000
	972,465	557,931	557,931	1,053,254	3,141,581

Group and Company	**2023**	**2024**	**2025**	**2026-2029**	**Total**
As at 31 December 2022	£	£	£	£	£
PO3	429,384	353,197	234,245	691,179	1,708,005
PO4	-	-	-	-	-
PO5	-	-	-	-	-
	429,384	353,197	234,245	691,179	1,708,005

[1] Customer risk category definitions: 1 – High, 2 – Moderately High, 3 – Moderate, 4 – Moderately Low, and 5 – Low.

Notes to the Financial Statements (contd.)

11. Impairment

The Group has two types of financial asset that are subject to potential impairment, these are contract assets relating to technology licencing contracts within the Company and also trade receivables arising on services provided in the AQSE subsidiary. At a Company level intercompany balances are assessed for any ECL on outstanding receivables arising during the normal course of business between the Parent and its subsidiaries.

The Group have concluded that trade receivables and contract assets have different risk characteristics and therefore the Expected Credit Loss (ECL) rates for each type of asset are measured separately. Since they comprise a portfolio of only a small number of clients, contract assets have been assessed on a client-by-client basis, whilst trade receivables have been grouped based on shared credit risk characteristics and the days past due. Further details on both methodologies can be found below.

IFRS 9 provisioning is applied to technology licensing contract assets based on management estimates of the collectability of contracts over their useful life, and which are re-assessed at each renewal and also at each year-end.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables and contract assets and therefore the ECL for each contract is assessed on a lifetime basis rather than at each reporting date. As the simplified approach is adopted it is not necessary to consider the impact of a significant increase in credit risk.

	Group		Company	
	Contract Assets £	Trade Receivables £	Contract Assets £	Trade Receivables £
Reconciliation of opening to closing loss allowances 2023				
Opening Impairment Provision at 1 January	1,347,278	58,953	1,347,278	-
ECL increase during the year	-	79,395	-	59,608
Written-off financial assets	-	(34,845)	-	(1,500)
ECL on new contract assets	1,729,154	-	1,729,154	-
ECL reversed over time	(712,931)	-	(712,931)	-
Closing Impairment Provision at 31 December	**2,363,501**	**103,503**	**2,363,501**	**58,108**

	Group		Company	
	Contract Assets £	Trade Receivables £	Contract Assets £	Trade Receivables £
Reconciliation of opening to closing loss allowances 2022				
Opening Impairment Provision at 1 January	1,480,762	46,169	1,480,762	-
ECL increase during the year	-	12,784	-	-
ECL on new contract assets	713,230	-	713,230	-
ECL reversed over time	(846,714)	-	(846,714)	-
Closing Impairment Provision at 31 December	1,347,278	58,953	1,347,278	-

Technology Licencing Contracts

During contract negotiation Aquis assesses the potential credit risk of a prospective client prior to committing to the contract, and the Directors consider factors that are specific to the customer, general economic conditions and an assessment of both the current as well as the forecast direction of these conditions. Based on this assessment, the prospective customer is assigned to a customer category with an appropriate risk rating.

A probability of default (PD) occurring during the lifetime of the contract ranging from 0-50% is applied to each client based on the assigned risk category. The credit risk of Aquis' technology clients ranges from those that are in infant start up stages (i.e. riskier) to those that are highly liquid and solvent conglomerates (little to no risk). As such, the Directors view the range of PD's for the portfolio to be between 50% for those with the highest level of risk to 0% for those that are so near to a zero level of risk that the PD is zero in substance. The Directors are comfortable that the assigned PD is sufficiently accurate to reflect the elevated risk associated with each start up when considering the idiosyncratic circumstances and risk factors of each client. The Directors would not enter into any contract where the PD is deemed to be any higher than 50%. The portfolio of technology contracts held by Aquis have PDs that have an observable relationship with time, i.e. the PD will decrease each year as the contract progresses. The credit risk of the contracts is directly linked to the success of the business and its ability to raise capital, and each year as the business continues in operation the credit risk decreases.

The Loss Given Default (LGD) is also quantified on a customer-by-customer basis and is done through an assessment of the recovery rate the Directors anticipate will be applied to the customer in the event of liquidation. Currently the low number of technology clients allows Aquis to assess each contract individually on the appropriate credit risk category, and this is determined based on several factors including company specific factors and also any future macro-economic changes, the sensitivity to these potential changes and the impact that these may have on the recoverability of the outstanding debt.

Although the full risk assessment is completed only at the start of the contract, the Directors assess each contract at the balance sheet date to determine whether the level of ECL provision, based on LGD and PD at contract inception, remains appropriate. The Directors consider a variety of factors specific to each customer, such as past payment history, but also assess the intent and ability to settle contractual commitments over the remaining contractual term, examples of which include but are not limited to, availability and sources of funding, revenue generating activities and profitability, and ongoing communications with the customer. Further factors considered by the Directors throughout the contract term are included within Note 4 under critical accounting estimates.

The Contract Asset Impairment provision as at 31 December 2023 is £2,422k (2022: £1,347k) and has been calculated with reference to estimations based on the PD and LGD as described above for each individual contract taking into account the nature, amount, customer categorisation, contract duration and uncertainty of revenue and cash flows.

The contracts are short-to-medium term in length and, as at 31 December 2023, the average contract duration for the portfolio of technology contracts is 3.4 years. (2022: 3.1 years).

Intercompany receivables

In line with IFRS 9 the Company has considered the qualitative and quantitative characteristics of the risk of default by its subsidiaries on outstanding receivables. These are considered non-material, both in quantum and in nature given regular settlement of balances and sufficient liquidity in both subsidiaries to cover amounts due to the Parent.

Notes to the Financial Statements (contd.)

Trade Receivables

In line with IFRS 9 guidance, the Group has applied a simplified "Expected Credit Loss" (ECL) model on trade receivables where a risk of potential non-payment may arise. In doing so the Group has considered the probability of a default occurring over the contractual life of the financial asset on initial recognition of the asset. Such trade receivables largely arise within the AQSE subsidiary, with those arising in Aquis Exchange PLC predominantly with institutions where the resultant credit risk is assessed as non-material, with no historical evidence of non-payment, hence no ECL provision is recognised on trade receivables. The trade receivables are measured at amortised cost and the calculated ECL provision is deducted from the gross carrying amount of the assets. When a trade receivable is determined to be uncollectible, it is written off against the provision account for trade receivables.

The simplified provision matrix presented below is based on historic default rates over the expected life of the trade receivables and is adjusted where appropriate for forward-looking estimates. The trade receivables balance is split into 8 separate categories depending on the age of each debt, ranging from 0 days past due to over 180 days past due. An appropriate estimation of the probability of default is applied to each category of debt, based on both historical default rates and expectations for the future.

All AQSE customers are assessed within a single credit risk category. In determining that the value of any potential AQXE provision is immaterial the Directors have separated AQXE customers into three distinct risk categories based on homogenous characteristics for each customer class. The factors used to differentiate each credit risk category in AQXE are primarily based on the liquidity pools of each customer class, payment history and profiles, in addition to regulated status. The assessment of AQXE provisions as immaterial excludes a specific provision against a specific debtor against which a provision of £58,108 was recognised in the year. Alongside AQSE provisions the total Group Provision at the year end was £103,503 (2022: £45,395).

The key assumptions in calculating the ECL for trade receivables are that the probability of default increases with the age of the debt and that the debts are homogenous, i.e. the credit risk assessment is based on age rather than by individual client. The expected loss rates are based on historical credit losses experienced and adjusted to reflect current and forward-looking information. AQSE trade receivables have been assessed to have a higher risk of impairment than the rest of the Group's trade receivables.

Trade receivables have payment terms of 30 days from the date of billing. For debts older than 180 days, debts are assessed on a case-by-case basis and are written off if there is no reasonable expectation of recovery. During the year a total of £33,345 (2022: £12,784) of trade receivables were written off relating to debts from companies that had ceased membership with AQSE and the contractual rights to cash flows from the financial assets were deemed to have expired.

The total loss allowance is calculated by applying the expected loss rate to the trade receivables balance in each age bucket. The total portion of the ECL balance relating to trade receivables as at 31 December 2023 was £103,503, of which £45,395 related to AQSE balances (31 December 2022: £58,953). The table below shows the allocation of provisions against AQSE Trade Receivables:

Group - 2023

Days past Due	0 days	1–29 days	30–59 days	60–89 days	90–124 days	125–149 days	150–179 days	Over 180 days	Total
Expected loss rate	**0.5%**	**1%**	**3%**	**5%**	**10%**	**25%**	**50%**	**100%**	
Trade receivables	**112,837**	**59,774**	**232,940**	**28,224**	**66,830**	**4,500**	**6,600**	**21,503**	**533,208**
Expected loss	564	598	6,988	1,411	6,683	1,125	3,300	6,585	27,254
Specific provisions charged/(released)	-	-	3,320	-	-	-	-	14,821	18,141
Total Expected Credit Losses	**564**	**598**	**10,308**	**1,411**	**6,683**	**1,125**	**3,300**	**21,406**	**45,395**

Group - 2022

Days past Due	0 days	1–29 days	30–59 days	60–89 days	90–124 days	125–149 days	150–179 days	Over 180 days	Total
Expected loss rate	0.5%	1%	3%	5%	10%	25%	50%	100%	
Trade receivables	106,305	33,200	6,800	2,200	4,500	-	15,780	78,845	247,630
Expected loss	532	332	204	110	450	-	7,890	78,845	88,363
Specific provisions charged/(released)	-	-	-	-	-	-	-	(29,410)	(29,410)
Total Expected Credit Losses	532	332	204	110	450	-	7,890	49,435	58,953

12. Operating expenses

Earnings before interest, taxation, depreciation and amortisation is stated after charging:

	Group		Company	
	2023 £	2022 £	**2023 £**	2022 £
Other gains				
Fair value movements in Derivative Instruments	**51,407**	-	**51,407**	-

Other gains relate to fair value movements on derivative financial assets used to mitigate foreign currency risk. Please see Note 5, Financial Risk Management, for further details.

	Group		Company	
	2023 £	2022 £	**2023 £**	2022 £
Administrative Expenses				
Fees payable to the company's auditor for the audit of the company's financial statements	**270,000**	241,250	**205,000**	190,000
Fees payable to the company's auditor for the Client Asset audit	**10,700**	10,000	**10,700**	10,000
Share-based payments	**1,085,658**	819,872	**1,085,658**	819,872
Exchange loss/(gains)	**104,162**	116,415	**146,103**	(50,269)
Employee costs	**9,132,899**	7,894,927	**6,476,801**	5,665,400
Operating costs	**5,793,059**	5,157,454	**5,317,912**	4,675,889
Net intercompany (income)	**-**	-	**(6,368,051)**	(5,694,803)
	16,396,478	14,239,918	**6,874,123**	5,616,089

Other administrative expenses comprise marketing fees, data centre and other service fees incurred in the ordinary course of business.

The Group expends resources to build trading platforms for its own use and for licencing to customers. Research and development costs that are not eligible for capitalisation have been expensed in the period incurred and are recognised in administrative expenses. In 2023 the amount recognised in the income statement was £512,543 (2022: £536,687).

Profit before taxation is stated after charging:

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Depreciation, amortisation and finance costs				
Depreciation of property, plant and equipment	**760,308**	760,537	**687,019**	688,615
Amortisation of intangible assets	**612,257**	498,955	**612,257**	498,954
	1,372,565	1,259,492	**1,299,276**	1,187,569

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Finance expense on lease liabilities (Note 25)	**103,249**	67,691	**88,571**	51,069
Finance income on lease assets (Note 25)	**(15,737)**	(14,561)	**(15,293)**	(14,121)
Interest income on deposited funds	**(384,712)**	(28,722)	**(112,154)**	(2,416)
	(297,200)	24,408	**(38,876)**	34,532

Total company expenses were as follows:

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Total expenses				
Expenses	**17,471,843**	15,523,818	**8,134,523**	6,838,190

Notes to the Financial Statements (contd.)

13. Share-based payments

Aquis Exchange PLC has five different share schemes which have been set up since incorporation of which one, being the EMI scheme, is now closed to new entrants. A new scheme, being the Premium Priced Option scheme was introduced in 2022.

Aquis Exchange PLC has established two Trusts (see Note 21) to which it has provided funding to allow the purchase of shares for future settlement of the liability arising from the share awards noted below.

The Fair Value of any awards made in the year is calculated and recognised through the P&L over the appropriate period as set out in the detail on each scheme below. The total costs recognised through the P&L in the Group in 2023 was £1,086k (2022 : £820k).

	Group and Company	
	2023 **£**	2022 £
Enterprise Management Incentives (EMI) scheme	**11,479**	58,430
Restricted Share Plan (RSP) scheme	**540,304**	485,860
Company Share Ownership Plan (CSOP) scheme	**57,963**	43,039
Premium Priced Option (PPO) scheme	**299,643**	69,000
Share Incentive Plan (SIP) scheme	**176,269**	163,543
	1,085,658	819,872

The aggregate level of share options and shares awarded which existed at the year end is 3,526,785 shares (2022: 2,209,612 shares).

	Group and Company	
	2023 **£**	2022 £
Enterprise Management Incentives (EMI) scheme	**899,378**	906,711
Restricted Share Plan (RSP) scheme	**416,572**	346,742
Company Share Ownership Plan (CSOP) scheme	**203,530**	163,073
Premium Priced Option (PPO) scheme	**1,745,443**	606,931
Share Incentive Plan (SIP) scheme	**261,862**	186,155
	3,526,785	2,209,612

Enterprise Management Incentive Plan

There is one approved EMI scheme, which was initiated in June 2018 when the first 564,124 options were granted. In April 2020 the second allotment (approved in and deferred from November 2019 because Aquis was in a close period) was made with a total of 740,250 options being granted. Options vest in 3 equal tranches, one, two and three years after grant. The options expire after 10 years.

In accordance with IFRS 2, the Group has estimated the fair value of options using a US binomial option valuation model and spread the estimated value against the profit and loss account over the life of the vesting period.

Of the total number of options granted, 7,333 (2022: 3,999) were exercised, none (2022 : Nil) expired and none (2022 : 28,295) were forfeited during 2023.

The exercise price for the options granted on 14 June 2018 is £2.69 per share to be settled in cash at the date of exercise. The weighted average remaining contractual life of options outstanding at the end of the reporting period amounted to nil months (2022: nil).

The US binomial model with an average expiry duration of 5 years, volatility of 24% and risk-free interest rate of 1.1067% was used to calculate the fair value of the options granted on 14 June 2018. All options are exercisable at a price of £2.69 and the weighted average expected life of the options was estimated to be 5 years.

The exercise price for the options granted on 16 April 2020 is £3.47 per share to be settled in cash at the date of exercise. The weighted average remaining contractual life of options outstanding at the end of the reporting period amounted to nil (2022: 3.5 months).

The US binomial model using an average expiry duration of 5 years, volatility of 20% and risk-free interest rate of 0.16% was used to calculate the fair value of the options granted on 16 April 2020. All options are exercisable at a price of £3.47 and the weighted average remaining expected life of the options was estimated to be 5 years.

Details of the EMI scheme are as follows:

	2023		2022	
	Number of Shares	**Average Exercise Price (£)**	Number of Shares	Average Exercise Price (£)
• Outstanding at the beginning of the period	**906,711**	**3.30**	939,005	3.29
• Granted during the period	**-**	**-**	-	-
• Forfeited during the period	**-**	**-**	(28,295)	3.22
• Exercised during the period	**(7,333)**	**3.47**	(3,999)	3.50
• Expired during the period	**-**	**-**	-	-
• Outstanding at the end of the period	**899,378**	**3.29**	906,711	3.30
• Exercisable at the end of the period	**899,378**	**3.29**	672,628	3.23

Notes to the Financial Statements (contd.)

Restricted Share Plan

The Group implemented a Restricted Share Plan (RSP) senior executive option scheme in 2020. Total grants were made in April 2023 of 72,622 at a grant price of £4.01 (April and September 2022: 117,975 options at a grant price of £4.81).

Options vest three years after grant, with an additional hold period of a further 2 years for executive directors and expire after 10 years.

The Black-Scholes model with an average expiry duration of 3 years, volatility of 21% and risk-free interest rate of 1.669% was used to calculate the fair value of the options granted in April 2022.

The Black-Scholes model with an average expiry duration of 3 years, volatility of 21% and risk-free interest rate of 1.891% was used to calculate the fair value of the options granted in September 2022. The weighted average remaining contractual life of options outstanding at the end of the reporting period amounted to 7 years and 7 months (2022: 7 years and 0 months).

The issue price for the options granted on 26 April 2023 is £4.03 per share to be settled in cash at the date of exercise at £0.10. The following inputs were used in the Black Scholes model: average maturity of 3 years, volatility of 23% and risk-free interest rate of 3.585%.

Details of the RSP scheme are as follows:

	2023		2022	
	Number of Shares	**Average Exercise Price (£)**	Number of Shares	Average Exercise Price (£)
• Outstanding at the beginning of the period	**346,742**	**4.85**	228,767	4.88
• Granted during the period	**72,622**	**4.01**	117,975	4.81
• Forfeited during the period	**(2,792)**	**4.03**	-	-
• Exercised during the period	**-**	**-**	-	-
• Expired during the period	**-**	**-**	-	-
• Outstanding at the end of the period	**416,572**	**4.71**	346,742	4.85
• Exercisable at the end of the period	**140,447**	**3.64**	-	-

Company Share Ownership Plan

The Group implemented a Company Share Ownership Plan (CSOP) employee option scheme in 2021. Grants in April 2023 were made amounting to 58,225 options at a grant price of £4.10 (April 2022: 78,053 options at a grant price of £4.90).

Options vest three years after grant and expire after 10 years.

The Black-Scholes model with an average expiry duration of 5 years, volatility of 21% and risk-free interest rate of 1.669% was used to calculate the fair value of the options granted in April 2022. The weighted average remaining contractual life of options outstanding at the end of the reporting period amounted to 8 years and 1 months (2021: 7 years and 8 months).

The issue price for the options granted on 26 April 2023 is £4.10 per share to be settled in cash at the date of exercise at £4.10. The following inputs were used in the Black Scholes model: average maturity of 3 years, volatility of 23% and risk-free interest rate of 3.585%.

Details of the CSOP scheme are as follows:

	2023		2022	
	Number of Shares	**Average Exercise Price (£)**	Number of Shares	Average Exercise Price (£)
• Outstanding at the beginning of the period	**163,073**	**5.95**	95,780	6.85
• Granted during the period	**58,225**	**4.10**	78,053	4.90
• Forfeited during the period	**(17,768)**	**5.19**	(10,760)	6.39
• Exercised during the period	**-**	**-**	-	-
• Expired during the period	**-**	**-**	-	-
• Outstanding at the end of the period	**203,530**	**5.48**	163,073	5.95
• Exercisable at the end of the period	**203,530**	**5.48**	-	-

Premium Priced Option Plan

The Group implemented a Premium Priced Option (PPO) option scheme in 2022 primarily focussed on Senior Executives. Grants in April 2023 were made amounting to 1,138,512 options at a grant price of £5.04 (June 2022: 648,811 at a grant price of £4.79).

Options vest 3 years after grant and expire after 7 years.

The Black-Scholes model with an average expiry duration of 5 years, volatility of 22.5% and risk-free interest rate of 1.5% was used to calculate the fair value of the options granted in June 2022. The weighted average remaining contractual life of options outstanding at the end of the reporting period amounted to 5 years and 6 months (2022: 6 years and 6 months).

The issue price for the options granted on June 2022 is £3.828 per share to be settled in cash at the date of exercise at £4.785. The following inputs were used in the Black Scholes model: average maturity of 5 years, volatility of 22.5% and risk-free interest rate of 1.79%.

The issue price for the options granted on 26 April 2023 is £4.03 per share to be settled in cash at the date of exercise at £5.0375. The following inputs were used in the Black Scholes model: average maturity of 5 years, volatility of 22.5% and risk-free interest rate of 3.723%.

Details of the PPO scheme are as follows:

	2023		2022	
	Number of Shares	**Average Exercise Price (£)**	Number of Shares	Average Exercise Price (£)
• Outstanding at the beginning of the period	**570,931**	**4.79**	-	-
• Granted during the period	**1,138,512**	**5.04**	648,811	4.79
• Forfeited during the period	**-**	**-**	(77,880)	4.79
• Exercised during the period	**-**	**-**	-	-
• Expired during the period	**-**	**-**	-	-
• Outstanding at the end of the period	**1,709,443**	**4.95**	570,931	4.79
• Exercisable at the end of the period	**-**	**-**	-	-

Share Incentive Plan

The employee Share Incentive Plan (SIP) is administered by Equiniti ("the Trust"). The Trust purchases shares in Aquis on the open market on behalf of employees that have elected to take part. Employees are limited to a maximum annual contribution of £1,800. The scheme allows employees to become shareholders in the Company in a tax efficient manner, with the Company purchasing two matching shares for every partnership purchased by the employee. The terms of the matching shares include that they must be held by the Trust for three years before they can be transferred or sold, and the employee must remain employed with the Company throughout this period. Free shares are also awarded to staff on an annual basis where performance criteria are met, with the Company purchasing up to a further 2 shares for each partnership share purchased.

The fair value of the matching and free shares purchased by the company are expensed over the three year vesting period. Management assumes that the cost of the shares is a close approximation of the fair value of the shares as the market price tends to be reflective of the discounted value of research analysts' medium-term projections.

Details of the SIP scheme are as follows:

	2023 Number of Shares	2022 Number of Shares
• Shares held at the beginning of the period	**186,155**	139,543
• Partnership shares purchased in the period	**16,863**	12,478
• Matching shares purchased during the period	**33,726**	24,956
• Free shares purchased during the period	**35,673**	22,465
• Exercised during the period	**(2,607)**	(9,241)
• Forfeited during the period	**(7,948)**	(4,046)
• Shares held at the end of the period	**261,862**	186,155
• Exercisable at the end of the period	**-**	-

14. Deferred tax asset

A net deferred tax asset of £1,785,331 (2022: £1,593,931) at the Group and £1,506,022 (2022: £1,456,184) at the Company relating to unused tax losses is recognised at 31 December 2023. The losses are considered allowable to offset against the Company's taxable profits expected to arise in the next three accounting periods. This comprises a gross Deferred Tax Asset of £1,884,349 (2022: £1,716,748) at the Group and £1,605,040 (2022: £1,578,001) at the Company offset by a Deferred Tax Liability of £99,018 (2022: £122,817) at the Group and Company arising on the timing difference between accounting depreciation and tax written down value charge.

The assessment of future taxable profits involves a significant degree of estimation, which management have based on the latest budget for the Company approved by the Board. The latest budget reflects a projected improvement in trading performance which is largely due to the continued expansion of the business as discussed in the Strategic Report. The preparation of the budget involves a rigorous review process by the Board, whereby each revenue stream and cost is scrutinised and challenged in detail so that the final version is considered to be an accurate and plausible representation of what is likely to be achieved in the period.

In calculating the deferred tax asset, management have applied a conservative approach by using probability adjusted revenues, applying lower probabilities to budgeted revenue from more uncertain sources such as large technology licencing contracts, with the effect of reducing estimated profits over the 3-year period from the original forecasts. The analysis predicts profitability is still achievable even when revenues are reduced to reflect this adjustment.

The net deferred tax balance comprises temporary differences attributable to:

Group	**2023 £**	2022 £
Tax losses	**1,884,349**	1,716,748
Fixed asset timing differences	**(99,018)**	(122,817)
Total deferred tax asset	**1,785,331**	1,593,931

Company	**2023 £**	2022 £
Tax losses	**1,605,040**	1,579,001
Fixed asset timing differences	**(99,018)**	(122,817)
Total deferred tax asset	**1,506,022**	1,456,184

Movement in deferred tax balance:

Group	2023 £	2022 £
At 1 January	**1,593,931**	1,292,260
Origination and reversal of timing differences	**191,400**	229,267
Effect of changes in tax rates	**-**	72,404
At 31 December	**1,785,331**	1,593,931

Company	2023 £	2022 £
At 1 January	**1,456,184**	1,292,260
Origination and reversal of timing differences	**49,838**	124,581
Effect of changes in tax rates	**-**	39,343
At 31 December	**1,506,022**	1,456,184

The Group has combined losses of £40,374,451 (2022: £46,116,352) available for carry forward and to be used against future trading profits of the same trade in which they were generated. This is comprised of trading generated in the UK by Aquis Exchange PLC and Aquis Stock Exchange Limited. There are no losses carried forward within Aquis Exchange Europe SAS.

The Company has estimated losses of £9,448,113 (2022: £11,747,647) available for carry forward against future trading profits.

Notes to the Financial Statements (contd.)

15. Income tax

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Current Tax				
UK Corporation tax charge	**-**	-	**-**	-
Overseas tax charges on foreign operations	**183,611**	144,469	**-**	-
Total Tax Charge	**183,611**	144,469	**-**	-

Deferred Tax				
Origination and reversal of timing differences	**(191,400)**	(229,267)	**(49,838)**	(124,581)
Effect of changes in tax rates	**-**	(72,405)	**-**	(39,344)
Total deferred tax credit	**(191,400)**	(301,672)	**(49,838)**	(163,925)

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Profit for the year before taxation	**5,194,887**	4,526,409	**3,988,392**	3,637,819
Expected tax charge based on a corporation tax rate of 23.5% (19%)	**1,039,094**	860,018	**938,092**	691,186
Expected tax charge based at effective overseas rates of 25%	**182,100**	177,647	**-**	-
Fixed asset differences	**(57)**	(40,330)	**(57)**	(40,330)
Expenses not deductible for tax purposes	**218,923**	109,502	**218,705**	109,104
Other differences	**857**	(89,428)	**(655)**	16
Remeasurement of deferred tax for changes in tax rates	**79,085**	(72,405)	**72,718**	(39,344)
Movement in deferred tax not recognised	**(1,527,791)**	(1,069,029)	**(1,278,641)**	(884,557)
Movement in deferred tax not recognised at overseas rates	**-**	(33,178)	**-**	-
Tax Credit for the period	**(7,789)**	(157,203)	**(49,838)**	(163,925)

16. Earnings per share

	Group		Company	
	2023	2022	**2023**	2022
Number of Shares				
Weighted average number of ordinary shares for basic earnings per share	**26,814,102**	27,210,231	**27,516,188**	27,508,166
Weighted average number of ordinary shares for diluted earnings per share	**27,714,143**	28,127,484	**28,416,159**	28,425,419
Earnings				
Profit for the year from continued operations	**5,202,676**	4,683,612	**4,038,229**	3,801,744
Basic and diluted earnings per share (pence)				
Basic earnings per ordinary share	**19**	17	**15**	14
Diluted earnings per ordinary share	**19**	17	**14**	13

Basic earnings per share is in respect of all activities of the Group and diluted earnings per share takes into account the dilution effects which would arise on conversion or vesting of all outstanding share options and share awards under the Enterprise Management Incentive (EMI) scheme.

The basic EPS when adjusted for outstanding EMI options of 906,711 (2022: 937,143) and adjusted for forfeited options in the year of nil (2022: 28,295) gives a weighted average of 28,409,489 (2022: 28,425,419).

17. Intangible assets

Group and Company	Developed trading platforms	Other Intangibles	Total Intangible Assets	Group Goodwill
Cost				
As at 1 January 2022	3,011,484	37,430	3,048,914	83,481
Additions	605,599	171,866	777,465	-
As at 31 December 2022	3,617,083	209,296	3,826,379	83,481
Additions	1,034,168	47,750	1,081,918	-
As at 31 December 2023	**4,651,251**	**257,046**	**4,908,297**	**83,481**
Accumulated amortisation and impairment				
As at 1 January 2022	2,287,280	7,920	2,295,200	-
Charge for the year	484,915	14,040	498,955	-
As at 31 December 2022	2,772,195	21,960	2,794,155	-
Charge for the year	559,741	52,516	612,257	-
As at 31 December 2023	**3,331,936**	**74,476**	**3,406,412**	**-**
Carrying amount				
As at 31 December 2023	**1,319,315**	**182,570**	**1,501,885**	**83,481**
As at 31 December 2022	844,888	187,336	1,032,224	83,481

All intangible assets within the Group are held by the Company.

Other intangible assets include assets valued at £68,835 with indefinite useful economic lives. Further information on these assets can be found in Note 2 under the heading "Intangible assets other than Goodwill."

Goodwill

On 11 March 2020 the Group acquired Aquis Stock Exchange Limited (formerly NEX Exchange Limited) which resulted in recognition of goodwill of £83,481. The cash generating unit associated with the goodwill is determined to be the assets associated with the investment in AQSE.

The goodwill arising on consolidation represents the growth potential of the primary listings exchange and the synergies with the rest of the business. AQSE has no intangible assets.

Impairment tests for goodwill

Goodwill has been allocated for impairment testing purposes to a cash generating unit, being the net assets related to Aquis Stock Exchange.

The recoverable amounts of the cash generating unit has been determined based on a value-in-use calculation using discounted cash flow forecasts based on business plans prepared by management for a three-year period ending 31 December 2026. The two key estimates used in this model were an estimated terminal growth rate of 2%, and a pre-tax discount factor of 12%.

The results of the testing indicated the projected value of Aquis Stock Exchange to exceed its carrying value. As a result no impairment loss has been recognised in the current year.

18. Property, plant and equipment

Group	Fixtures, fittings and equipment	Computer Equipment	Right of Use Assets	Total
Cost				
As at 1 January 2022	324,461	2,389,254	4,250,452	6,964,167
Additions	167,440	601,979	-	769,419
Disposals	-	-	-	-
Foreign Currency Translation Differences	-	-	(11,693)	(11,693)
As at 31 December 2022	491,901	2,991,233	4,238,759	7,721,893
Additions (and lease adjustments)	9,379	401,937	12,618	423,934
Disposals	-	-	-	-
As at 31 December 2023	**501,280**	**3,393,170**	**4,251,377**	**8,145,827**
Accumulated amortisation and impairment				
As at 1 January 2022	230,003	2,075,058	502,487	2,807,548
Charge for the year	65,263	298,052	397,222	760,537
Disposals	-	-	-	-
Foreign Currency Translation Differences	-	-	(1,407)	(1,407)
As at 31 December 2022	295,266	2,373,110	898,302	3,566,678
Charge for the year	50,731	325,755	383,822	760,308
Disposals	-	-	-	-
As at 31 December 2023	**345,997**	**2,698,865**	**1,282,124**	**4,326,986**
Carrying amount				
As at 31 December 2023	**155,283**	**694,305**	**2,969,253**	**3,818,841**
As at 31 December 2022	196,635	618,123	3,340,457	4,155,215

Notes to the Financial Statements (contd.)

Company	Fixtures, fittings and equipment	Computer Equipment	Right of Use Assets	Total
Cost				
As at 1 January 2022	319,325	2,389,253	3,656,087	6,364,665
Additions	157,805	595,133	-	752,938
Disposal	-	-	-	-
As at 31 December 2022	477,130	2,984,386	3,656,087	7,117,603
Additions	9,379	400,352	-	409,731
Disposal	-	-	-	-
As at 31 December 2023	**486,509**	**3,384,738**	**3,656,087**	**7,527,334**
Accumulated amortisation and impairment				
As at 1 January 2022	230,029	2,075,058	495,820	2,800,907
Charge for the year	62,746	296,005	329,864	688,615
Disposal	-	-	-	-
As at 31 December 2022	292,775	2,371,063	825,684	3,489,522
Charge for the year	47,782	323,341	315,896	687,019
Disposal	-	-	-	-
As at 31 December 2023	**340,557**	**2,694,404**	**1,141,580**	**4,176,541**
Carrying amount				
As at 31 December 2023	**145,952**	**690,334**	**2,514,507**	**3,350,793**
As at 31 December 2022	184,355	613,323	2,830,403	3,628,081

19. Investment in subsidiaries

Company	2023 £	2022 £
Investment in subsidiaries	**6,884,202**	6,884,202

Details of the Company's subsidiaries at 31 December 2023 are set out in the following table. The investments are measured using the equity method in Aquis Exchange PLC's standalone accounts.

Name of undertaking	Country of incorporation	Ownership interest (%)	Voting power held (%)	Nature of business	**Carrying amount 31-Dec-23**	Carrying amount 31-Dec-22
Aquis Stock Exchange	UK	100	100	Recognised Investment Exchange	**3,677,118**	3,677,118
Aquis Exchange Europe SAS	France	100	100	European Equities Exchange	**3,207,084**	3,207,084
					6,884,202	6,884,202

The registered office of Aquis Exchange Europe SAS is 231 rue Saint Honoré, 75001 Paris, France. The registered office of Aquis Stock Exchange Limited is 63 Queen Victoria Street, EC4N 4UA,UK.

Both investments were assessed for impairment at year end and no indicators of impairment were noted, with both Aquis Stock Exchange and Aquis Exchange Europe SAS profitable in both 2023 and 2022. Therefore, in line with IAS 36 guidance, no impairment provision has been recognised in Aquis Exchange PLC's financial statements.

There has been no change in the year of the carrying value of any subsidiary (2022: no change).

Notes to the Financial Statements (contd.)

20. Investments in financial assets

Group and Company	2023 £	2022 £
Financial assets measured at fair value through OCI	**591,945**	-

In August 2023 Aquis Exchange PLC acquired a 5.2% stake in OptimX LLC for consideration of USD 750k. The entity is currently in the development stage of creating blotter scraping technologies. The shares of OptimX LLC are not listed on any public market.

The fair value of OptimX, an unlisted-equity investment, falls within Level 3 of the IFRS 13 Fair Value hierarchy.

In the year of acquisition, the fair value of the Investment in OptimX as at 31 December is considered materially consistent with its acquisition price. Therefore, no fair value movements have been recognised in other comprehensive income.

21. Investment in Trusts

The table below shows the total amount the Company has invested in the two Trusts in respect of the share based payments arising under (i) the Employee Share Incentive Plan and (ii) the Restricted Share Plan, Company Share Ownership Plan and Premium Price Options plan as at the reporting date. Investments into the Trusts are mostly comprised of cash contributions made to acquire Company shares. Deductions from the Trusts represent vested shares withdrawn.

Company	2023 £	2022 £
Investment in Trusts	**4,389,445**	3,350,325

22. Trade and other receivables

Group	Current 2023 £	Current 2022 £	Non-current 2023 £	Non-current 2022 £	Total 2023 £	Total 2022 £
Trade receivables	**3,033,440**	2,317,384	**-**	-	**3,033,440**	2,317,384
Technology licence contract assets	**3,029,766**	1,104,221	**5,450,678**	5,009,883	**8,480,444**	6,114,105
Other receivables	**107,183**	77,635	**360,411**	342,227	**467,594**	419,861
Prepayments	**724,547**	636,186	**-**	-	**724,547**	636,186
	6,894,936	4,135,426	**5,811,089**	5,352,110	**12,706,025**	9,487,536

Company	Current 2023 £	Current 2022 £	Non-current 2023 £	Non-current 2022 £	Total 2023 £	Total 2022 £
Trade receivables	**2,538,127**	2,053,560	**-**	-	**2,538,127**	2,053,560
Technology licence contract assets	**3,029,766**	1,104,221	**5,450,678**	5,009,883	**8,480,444**	6,114,105
Other receivables	**44,970**	330,956	**345,240**	319,791	**390,210**	650,747
Intercompany receivables	**471,658**	6,485,690	**-**	-	**471,658**	6,485,690
Prepayments	**652,422**	596,828	**-**	-	**652,422**	596,828
	6,736,943	10,571,256	**5,795,918**	5,329,674	**12,532,861**	15,900,930

The following details the trade receivables that are stated net of any credit impairment provision, as set out previously in Note 12 in accordance with IFRS 9.

Trade receivables	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Gross trade receivables	**3,136,943**	2,376,337	**2,596,235**	2,053,560
Expected credit loss on trade receivables	**(103,503)**	(58,953)	**(58,108)**	-
Gross contract assets	**10,843,945**	7,461,382	**10,843,945**	7,461,383
Expected credit loss on contract assets	**(2,363,501)**	(1,347,278)	**(2,363,501)**	(1,347,278)
Trade receivables net of provisions	**11,513,884**	8,431,489	**11,018,571**	8,167,665

23. Cash and cash equivalents

	Group		Company	
	2023 **£**	2022 £	**2023** **£**	2022 £
Cash at bank	**14,765,910**	14,170,965	**6,356,259**	5,595,827

Cash and cash equivalents comprise over night and short term deposits of less than 3 month and are held with authorised counterparties of a high credit standing. Management does not expect any losses from non-performance by the counterparties holding cash and cash equivalents, and there are no material differences between their book and fair values.

Cash held by Aquis Exchange Europe SAS is predominantly held in a Sterling denominated bank account.

24. Trade and other payables

	Group		Company	
Current	**2023** **£**	2022 £	**2023** **£**	2022 £
Trade payables	**759,002**	510,384	**674,307**	510,068
Accruals	**1,814,407**	1,508,760	**1,388,911**	1,287,138
Deferred Revenue	**934,423**	1,358,479	**-**	251,250
Social security and other taxation	**343,729**	220,593	**256,777**	220,593
Intercompany payables	**-**	-	**824,405**	6,285,752
Other payables	**58,772**	3,250	**84,132**	-
Overseas corporation tax payable	**33,798**	144,469	**-**	-
Short Term Lease Liabilities	**527,339**	522,800	**437,400**	437,400
	4,471,470	4,268,735	**3,665,932**	8,992,201

In January 2023 forward contracts were taken by the Company in order to economically hedge against foreign exchange movements in contract asset balances denominated in US Dollars. These derivatives are remeasured at fair value at each reporting date with the movement recognised in profit or losses within other gains and losses.

Further disclosures on the Group's risk management frame on foreign exchange risk and the use of derivatives to manage risk is discussed in Note 5. These derivatives are the Group's only financial instrument that is measured at fair value and are classified at level 2 of fair value hierarchy measurements. Future cash flows are estimated based on quoted forward exchange rates and contract forward rates. There are no significant unobservable inputs. The year to date gain on these items is £51,407.

25. Leases

Right of Use Assets

The right-of use asset was measured at the amount equal to the lease liability, plus prepaid lease payments (being the unamortised portion of the rent deposit asset). The right of use asset is depreciated over the term of the lease and was accounted for during the year ended 31 December 2023 as follows:

	Group Property £	Company Property £
Carrying amount at 1 January 2022	3,747,965	3,160,267
Foreign currency translation differences	(10,286)	-
Depreciation for the year	(397,222)	(329,864)
Carrying amount at 31 December 2022	3,340,457	2,830,403
Remeasurement of Paris lease	12,618	-
Depreciation for the year	(383,822)	(315,896)
Carrying amount at 31 December 2023	**2,969,253**	**2,514,507**

Rent deposit asset

The rent deposit asset (excluding the prepaid right of use portion which has been included in the calculation of the right of use asset above) is a financial asset measured at amortised cost and was accounted for during the year ended 31 December 2023 as follows:

	Group Rent Deposit Asset £	Company Rent Deposit Asset £
Carrying amount at 1 January 2022	612,042	598,141
Recovery of rent deposit	(269,956)	(282,315)
Finance income on rent deposit asset for the year	14,561	14,121
Carrying amount at 31 December 2022	356,647	329,947
Remeasurement of Paris lease	(7,619)	-
Foreign currency translation differences	(4,354)	-
Finance income on rent deposit asset for the year	15,737	15,293
Carrying amount at 31 December 2023	**360,411**	**345,240**

Notes to the Financial Statements (contd.)

Lease liability

The lease liability is calculated as the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable (such as any rent-free periods). The lease payments are discounted using the interest rate implicit in the lease. The lease liability is measured at amortised cost and was accounted for during the year ended 31 December 2023 as follows:

	Group Lease Liability £	Company Lease Liability £
Carrying amount at 1 January 2022	3,655,652	3,066,902
Foreign currency translation differences	(24,672)	-
Finance expense on lease liability for the year	67,691	51,069
Lease payments made during the year	(300,994)	(231,259)
Carrying amount at 31 December 2022	3,397,677	2,886,712
Finance expense on lease liability for the year	103,249	88,571
Lease payments made during the year	(516,482)	(437,400)
Carrying amount at 31 December 2023	**2,984,444**	**2,537,883**
Of which are:		
Current	527,339	437,400
Non-current	2,457,105	2,100,483
	2,984,444	**2,537,883**

The non-current and current portions of the lease liability are included in 'Lease liability' and 'Other Payables' (Trade and Other Payables) on the Statement of Financial Position respectively.

Net finance expense on leases

	Group		Company	
	2023 £	2022 £	**2023 £**	2022 £
Finance expense on lease liability	**103,249**	67,691	**88,571**	51,069
Finance income on rent deposit asset	**(15,737)**	(14,561)	**(15,293)**	(14,121)
Net finance expense relating to leases	**87,512**	53,130	**73,278**	36,948

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

	Group		Company	
	2023	2022	**2023**	2022
	£	£	**£**	£
Depreciation expense on right-of-use assets	**(383,822)**	(397,222)	**(315,896)**	(329,864)
Finance expense on lease liability	**(103,249)**	(67,691)	**(88,571)**	(51,069)
Finance income on rent deposit asset	**15,737**	14,561	**15,293**	14,121
Short term lease expense	**(43,310)**	(35,816)	**-**	-
Net impact of leases on profit or (loss)	**(514,644)**	(486,168)	**(389,174)**	(366,812)

The contractual terms of the Paris lease state that lease payments are indexed which has resulted in a remeasurement of the lease liability to reflect an uplift of future expected payments. The Company lease based in the UK is not subject to variable rates.

26. Share capital

Group	**2023** **£**	2022 £
Ordinary share capital		
Issued and fully paid		
27,509,448 (2022: 27,505,450) Ordinary shares of 10p each	**2,750,945**	2,750,545
Issue of 3,998 new shares of 10p each	**-**	400
Issue of 7,333 new shares of 10p each	**733**	-
27,516,781 (2022: 27,509,448) Ordinary Shares of 10p each	**2,751,678**	2,750,945

Notes to the Financial Statements (contd.)

27. Treasury shares

Group	2023 £	2022 £
At the beginning of the year	**3,350,325**	1,526,835
Purchase of additional shares	**1,215,243**	1,952,325
Shares vested or sold by trusts	**(157,189)**	(132,230)
Change in level of surplus cash held by trusts	**(18,934)**	3,395
At the end of the year	**4,389,445**	3,350,325

Treasury shares are held by the Employee Benefit Trusts. Further disclosures about the value of shares acquired by the EBT can be read in note 21. The Investment in Trust has been consolidated within the Group's results as the parent company (Aquis Exchange PLC) can substantially direct the investment activities of the Trusts, thus the Trusts' assets have been consolidated as Treasury Shares.

In the year to 31 December 2023 331,179 shares with a nominal value of £33,178 were bought at a total cost of £1,215,243 and held in Treasury (2022 - 481,301 shares with a nominal value of £48,130 were bought at a total cost of £1,952,325 and held in Treasury).

As at 31 December 2023, 261,956 shares (2022: 186,155) were held in the Employee Share Incentive Plan Trust, and a further 840,175 shares (2022: 584,797) held in the Trust relating to Restricted Share Plan, Company Share Ownership Plan and Premium Priced Option Plan.

At 31 December 2023 £17,676, (2022: £36,610) of surplus cash was held within the Trusts, which had yet to be used to purchase Treasury shares, but remained under the control of the Trusts.

Group	2023 £	2022 £
Treasury Shares held	**4,371,769**	3,313,715
Cash Held in Employee Trusts	**17,676**	36,610
At the end of the year	**4,389,445**	3,350,325

28. Cash generated by operations

Operating cash flows
For the year ended 31 December 2023

Group	2023 £	2022 £
Profit before tax	**5,194,887**	4,526,409
Adjustments for:		
Impairment charge/(credit) on contract assets	**1,016,223**	(133,484)
Impairment charge on trade and other receivables	**44,550**	12,784
Fair value adjustment to derivatives	**(51,407)**	-
Equity settled share based payment expense	**1,085,658**	819,872
Amortisation of intangible assets	**612,257**	498,955
Depreciation and impairment of property, plant and equipment	**760,308**	760,537
Finance expense	**103,249**	67,691
Finance income	**(15,737)**	(14,561)
Interest income	**(384,712)**	(28,722)
	3,170,389	1,983,072
Movement in working capital:		
(Increase)/Decrease in trade and other receivables	**(4,277,113)**	(1,409,263)
Increase/(Decrease) in trade and other payables	**309,470**	(1,195,918)
Cash generated by operations	**4,397,633**	3,904,300
Corporation taxes paid	**(293,914)**	116,415
Net cashflow from operating activities	**4,103,719**	4,020,715

Notes to the Financial Statements (contd.)

Operating cash flows
For the year ended 31 December 2023

Company	**2023 £**	2022 £
Profit before tax	**3,988,392**	3,637,819
Adjustments for:		
Impairment charge/(credit) on contract assets	**1,016,223**	(133,484)
Impairment charge on trade and other receivables	**58,108**	-
Fair value adjustment to derivatives	**(51,407)**	-
Equity settled share based payment expense	**1,085,658**	819,872
Amortisation of intangible assets	**612,257**	498,954
Depreciation and impairment of property, plant and equipment	**687,019**	688,615
Finance expense	**88,571**	51,069
Finance income	**(15,293)**	(14,121)
Interest income	**(112,154)**	(2,416)
	3,368,982	1,908,489
Movement in working capital:		
Decrease/(Increase) in trade and other receivables	**2,309,031**	(8,642,417)
(Decrease) in trade and other payables	**(5,326,269)**	5,297,956
Cash generated by operations	**4,340,136**	2,201,847
Corporation taxes paid	**-**	-
Net cashflow from operating activities	**4,340,136**	2,201,847

29. Related party transactions

Remuneration of key management personnel

The remuneration of the directors, who are key management personnel, is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

Group	2023 £	2022 £
Salaries and other short term benefits	**1,569,531**	1,486,805
Share based payments	**490,437**	348,300
Total	**2,059,968**	1,835,105

Company	2023 £	2022 £
Salaries and other short term benefits	**1,123,238**	1,088,008
Share based payments	**246,592**	174,150
Total	**1,369,830**	1,262,158

During the year the Group has entered into, in the ordinary course of business, transactions with other related parties. All transactions between Aquis Exchange Plc and its subsidiaries are eliminated on consolidation. There are no related party balances outstanding at Group level. Costs incurred by the Company on behalf of its subsidiary companies are recharged to these Companies though a Management fee and service charge, which for 2023 represented a net recharge of £5,678k (2022: £5,528k) to Aquis Europe SAS and a net recharge of £690k (2022: £450k) to Aquis Stock Exchange Limited. The net cash payments in the year and balances outstanding at the year end were:

2023 Company	Receipts and (payments) £000s	Amounts owed from related parties £000s	Amounts owed to related parties £000s
Aquis Stock Exchange Ltd	**2,565**	**551**	**-**
Aquis Europe SAS	**(1,385)**	**-**	**904**
Total	**1,180**	**551**	**904**

2022 Company	Receipts and (payments) £000s	Amounts owed from related parties £000s	Amounts owed to related parties £000s
Aquis Stock Exchange Ltd	600	533	-
Aquis Europe SAS	(1,389)	5,953	(6,286)
Total	(789)	6,486	(6,286)

30. Share premium account

Group	2023 £	2022 £
At the beginning of the year	**11,785,045**	11,771,462
Issue of new shares	**24,712**	13,583
At the end of the year	**11,809,757**	11,785,045

31. Other reserves

	Group		Company	
	2023 £	2022 £	**2023 £**	2022 £
Reserves relating to share-based payments	**2,741,589**	1,813,119	**2,741,589**	1,813,119

The reserves relating to share-based payments reflects the estimated fair value of the approved Employee Share Option Scheme estimated using the US binomial and Black Scholes option valuation models.

32. Controlling party

In the opinion of the Directors, there is no single overall controlling party.

No individual shareholder had a shareholding of 10% or above as at 31 December 2023.

33. Events occurring after the reporting period

There are no significant post balance sheets of which the Directors are aware.

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