

APQ global limited

Half Year Report for the six months ended 30 June 2021

APQ global limited

Contents	Page
Highlights	2
Directory	3
Principal Risks and Uncertainties	4
Statement of Directors’ Responsibilities	7
Condensed Consolidated Statement of Comprehensive Income	8
Condensed Consolidated Statement of Financial Position	9
Condensed Consolidated Statement of Changes in Equity	10
Condensed Consolidated Statement of Cash Flows	12
Notes to the Condensed Consolidated Financial Statements	14

HIGHLIGHTS

For the six months ended 30 June 2021

Financial highlights

Book Value at 30 June 2021 was \$26.57m, a decrease of \$4.67m from \$31.24m since the start of the period. The term “book value” herein includes the assets of APQ Global Limited and its subsidiaries net of any liabilities. The results include the net assets of the Company and its subsidiaries, presented in US dollars.

Book Value per share in the period decreased by 5.99 cents from 39.88 to 33.89 cents.

Loss per share for the period was \$0.06001 (for the six months ended 30 June 2020 – loss per share was \$0.59821).

No dividends were paid in the 6 month period ended 30 June 2021. Dividends paid in the 6 months ended 30 June 2020 in GBP totalled 1.50 pence (1.97 cent) per share and were declared Ex Dividend 30 January 2020 and paid 2 March 2020.

There have been further AIM market trades since 30 June 2021, details of these can be found on the London Stock Exchange website by following the link below. Monthly book values are also made available as they fall due.

<http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary/GG00BZ6VP173GGGBXASQ1.html>

Business highlights

On 20 January 2021, APQ Corporate Services Limited, entered into an agreement to purchase 70% of the FMA - Frontier Markets Advisors Inc a company incorporated and domiciled in Canada which provide investment and financing services. The registered address of FMA – Frontier Markets Advisors Inc is 202-230 Ch. du Golf, Montreal, QC H3E 2A8, Canada. The total cash consideration of this purchase agreement was \$260,000. During the 6 months period ended 30 June 2021, a further \$80,000 was invested into FMA - Frontier Markets Advisors Inc.

On 15 June 2021, Wesley Davis stepped down from the Board as a Finance Director and was replaced by Philip Soulsby who had been a Non-Executive Director and Chairman of the Audit Committee of APQ Global Limited. In addition, Al Wadhah Al Adawi was appointed as Non-Executive Director and replaced Philip Soulsby as a Chairman of the Audit Committee.

DIRECTORY

Registered Office and Business Address:

PO Box 142
The Beehive
Rohais, St Peter Port
Guernsey
GY1 3HT

**Company Secretary and
Corporate Services Provider**

Parish Group Limited
PO Box 142
The Beehive
Rohais, St Peter Port
Guernsey
GY1 3HT

Registrar and Transfer Agent

Link Group
10th Floor
Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors

As to English law:

Stephenson Harwood LLP
1 Finsbury Circus
London
United Kingdom
EC2M 7SH

TISE Sponsor

Carey Commercial Limited
1st & 2nd Floors
Elizabeth House
Les Ruettes Brayes
St Peter Port
Guernsey
GY1 4LX

Directors:

Bart Turtelboom
Wayne Bulpitt
Philip Soulsby
Al Wadhah Al Adawi

Nominated Adviser and Broker

Singer Capital Markets Advisory LLP
1 Bartholomew Lane
London
United Kingdom
EC2N 2AX

Principal Bankers

Credit Suisse
Paradeplatz 8
CH-8070
Zurich
Switzerland

Advocates

As to Guernsey law:

Mourant Ozannes
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
GY1 4HP

Independent auditors

BDO LLP
55 Baker Street
London
United Kingdom
W1U 7EU

For the latest information, please visit:
www.apqglobal.com

Principal Risks and Uncertainties

The Board has carried out a robust assessment of the Company's emerging and principal risks. The Directors believe the risks described below are the material risks relating to the Company:

Business Area/Process	Perceived risk	Mitigation
Environment	Changes in law or regulation or tax legislation may adversely affect the Company's ability to carry on its business or adversely impact its tax position and liabilities.	Considered on an ongoing basis by the Board during quarterly board meetings. Further advice comes from the Investment Advisory Committee.
Key man risk	The Company's performance is dependent on the performance of key members of management. The departure of any key individual from the management team may adversely affect the returns available to the Company.	The Board monitors the dependency of the Company upon any individual on an ongoing basis and where appropriate plans to reduce the impact from this risk.
FX	The Company and its Investments will have an exposure to foreign exchange rate risk as a result of changes, both unfavourable and favourable, in exchange rates between United States Dollars and the currencies in which some assets and liabilities are denominated. The Company's functional and presentational currency is US Dollars. Therefore, there is currency risk as Ordinary Shares are traded on AIM in Pounds Sterling.	The Company has taken the decision not to hedge its foreign currency exposure, in regards to the Ordinary shares, and thus accepts this risk as part of its investment strategy. The Board may engage in currency hedging in the future, seeking to mitigate foreign exchange risk although there can be no guarantees or assurances that the Group will successfully hedge against such risks.
Cyber Security	The Company will be subject to Cyber Risk in the form of both risk of failure of systems and also of the risk of malignant action against the Company by way of Information Technology.	The Company makes use of Dual Signing Authority and two factor authentication across its banking and other key functional areas where it is available. The Company relies on its service providers to have in place proper cybersecurity systems and checks its providers through the annual third party service provider review
Dividend Risk	There can be no guarantee that the Group will achieve the target rates of return referred to in this document or that it will not sustain any capital losses through its activities. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Group's businesses.	The Group monitors its income through its management accounts and targets investments that provide income in accordance with its strategy.
Financial Risk	The Company will, through the implementation of its business model and strategy, face financial risks including market risk, credit risk and liquidity risk. Further details of these risks can be found in table 2 below.	These risks and the controls in place to mitigate them are reviewed at board meetings.
Volatility	There may be volatility in the price of the Ordinary Shares and the market price of the Ordinary Shares may rise or fall rapidly. The price of the Ordinary Shares may decline below their respective issue price and Shareholders may not be able to sell their Ordinary Shares at a price equal to or greater than their issue price.	To optimise returns, Shareholders may need to hold the Ordinary Shares for the long term.
Liquidity	Ordinary shareholders will have no right of redemption and must rely, in part, on the existence of a liquid market in order to realise their investment. Although the Ordinary Shares are admitted to trading on AIM, there can be no assurance as to the levels of secondary market trading in Ordinary Shares or the prices at which Ordinary Shares may trade. The Ordinary Shares may trade at a discount to the Net Asset Value per Ordinary Share.	The Board monitors the liquidity of the stock during its quarterly board meetings. The Company employs market making firms to ensure a live market is available in its ordinary shares.

Principal Risks and Uncertainties (continued)

Business Area/Process	Perceived risk	Mitigation
Leverage	The Company has CULS which it is required to repay interest on quarterly, at a rate 3.5% pa. The Company must ensure that it has liquid resources available to repay this interest. Furthermore, any CULS not previously redeemed, purchased or converted will be repaid by the Company on 30 September 2024 at its nominal amount and thus the Company must ensure it has resources available at this time to make these repayments.	The Board monitors the leverage present in the Company via its monthly management accounts.
Brexit	The Directors note that the Company's future performance may be adversely affected by the economic and political instability surrounding the impacts of Britain's exit from the EU.	The Board monitors the ongoing situation and is prepared to respond accordingly as situations evolve.
Covid-19	The Directors note that the Company's future performance may be adversely affected by the ongoing impact of Covid-19 on the Global economy.	The Company has successfully migrated its staff to work from home where required and has not encountered any operational, trading, or other issues related to the migration. The Board continues to monitor the ongoing impacts, and potential sensitivities to its investments, stemming from Covid-19.

The Directors believe the risks described below are the material risks relating to the Company through its investment into the APQ Cayman Limited:

Business Area/Process	Perceived risk	Mitigation
Emerging Markets	APQ Cayman Limited will have investment exposure to emerging markets, which are subject to certain risks and special considerations that are not typically associated with more developed markets and economies.	The Company engages a team to actively monitor treasury exposures live in high-end risk management software applications. The team monitors exposure and uses a comprehensive framework, utilising its administrator, banking counterparts and other third party vendors, to ensure exposure levels are correctly measured and reported daily.
Derivative Risk	APQ Cayman Limited will invest in derivative instruments which can be highly volatile and may be difficult to value and/or liquidate. Derivatives will be used for gearing purposes which may expose investors to a high risk of loss.	The Company employs a highly experienced management team that monitors exposure on a daily basis and captures derivative exposure using high-end risk software applications. Daily reports are generated from the software and reviewed by the team.
Credit Risk	APQ Cayman Limited is subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. Where the Company utilises derivative instruments, it is likely to take credit risk with regard to such counterparties and bear the risk of settlement default.	The Company chooses reputable financial service providers, and uses a spread of counterparties to lessen the impact should one counterparty fail.
Liquidity Risk	The Company could suffer losses as a result of a decrease in liquidity in the capital markets in which it invests. A decrease in liquidity could result in higher exit costs for a given investment, such as the commission or spread charged by the counterparties with which it trades.	The Company chooses reputable financial service providers, and uses a spread of providers to lessen the impact should one be unable to provide a market price.
Third party risk	APQ Cayman Limited will be subject to custody risk in the event of the insolvency of any custodian or sub-custodians with which it transacts.	The Company chooses reputable financial service providers as its counterparties, and uses multiple service providers to lessen the impact should one become insolvent.

Principal Risks and Uncertainties (continued)

The Directors believe the risks described below are the material risks relating to the Company through its unquoted investments:

Business Area/Process	Perceived risk	Mitigation
Valuation Risk	The Company's Direct Investment portfolio comprises unquoted investments purchased and sold privately, for which there is no market price available. As a result, management is required to make forecasts and assumptions about certain inputs used in the valuation of these investments. The Company could suffer losses, should these forecasts or assumptions not materialise.	<p>The Company adopts a prudent approach in accordance with International Financial Reporting Standards, and employs external valuation experts to perform these valuations.</p> <p>Additionally, the valuations are reviewed by the Company's auditors, BDO LLP, on, at least, an annual basis.</p>

These risks are mitigated by the control and oversight of the Board. The Board will consider the risks of the Company as a whole on a regular basis at its Board meetings and on an annual basis shall review the effectiveness of its risk management systems, ensuring that all aspects of risk management and internal control are considered. The process for its annual reviews includes reporting and recommendations from the Board as well as adoption and review of a formal risk matrix documenting the existing and emerging risks facing the Company, as well as the assessed probability and impact of the identified risks. Other risk mitigation measures include, but are not limited to:

- Oversight by Executive Directors and key management with the requisite knowledge and experience in emerging and credit markets;
- Oversight by Non-Executive Directors;
- Dual signing authority on bank accounts;
- Business Continuity Plans of the various service providers;
- Ongoing Cyber Risk training; and
- Ongoing review of third party service providers by the Board

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU and gives a true and fair view of the assets, liabilities, financial position and profit of the group as required by DTR 4.2.4R;
- the half yearly report includes a fair review of the information required by:
 - (a) DTR 4.2.7R of the Disclosure and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - (b) DTR 4.2.8R of the Disclosure and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period.

For and on behalf of the Board



Wayne Bulpitt
Chairman, APQ Global Limited

Date: 29 September 2021

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the six months ended 30 June 2021

	Note	For the six months ended 30 June 2021 \$	For the six months ended 30 June 2020 \$
Turnover	4	3,184,587	10,038,801
Net loss on financial assets at fair value through profit and loss	13	(4,118,423)	(58,711,659)
Administrative expenses	5	(2,018,522)	(2,061,620)
Operating loss for the period before tax		(2,952,358)	(50,734,478)
Interest receivable	8	6,202	2,515
Finance costs	9	(1,375,415)	(1,263,074)
Net gain on financial liabilities at fair value through profit and loss		-	570,507
Net foreign exchange (loss) / gain		(381,886)	4,601,598
Loss on ordinary activities before taxation		(4,703,457)	(46,822,932)
Tax on loss on ordinary activities		-	-
Loss on ordinary activities after taxation for the financial period		(4,703,457)	(46,822,932)
Basic and diluted earnings per share	10	(0.06001)	(0.59821)

The notes on pages 14 to 33 form an integral part of the Financial Statements.

There is no other comprehensive income.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 June 2021

	Note	30 June 2021 \$	31 December 2020 \$
Assets			
Non-current assets			
Property, plant and equipment	12	19,948	13,500
Right of use assets	21	120,282	160,376
Investments	13	63,986,268	67,764,691
Total non-current assets		64,126,498	67,938,567
Current assets			
Trade and other receivables	14	893,306	1,105,234
Cash and cash equivalents		646,421	509,928
Total current assets		1,539,727	1,615,162
Total assets		65,666,225	69,553,729
Current liabilities			
Trade and other payables	15	(541,625)	(652,644)
Total current liabilities		(541,625)	(652,644)
Long term liabilities			
3.5% Convertible Unsecured Loan Stock	16	(37,166,854)	(36,226,778)
6% Convertible preference shares	17	(1,347,099)	(1,347,099)
Lease liabilities	21	(43,283)	(83,781)
Total long-term liabilities		(38,557,236)	(37,657,658)
Net assets		26,567,364	31,243,427
Equity			
Share capital	18	99,937,351	99,869,252
Equity component of 3.5% Convertible Unsecured Loan Stock	16	6,919,355	6,919,355
Equity component of 6% Convertible preference shares	17	100,813	100,813
Other capital reserves	19	218,755	259,460
Share warrants reserve	20	107,702	107,702
Retained earnings		(75,789,099)	(71,085,642)
Exchange reserve		(4,927,513)	(4,927,513)
Total equity		26,567,364	31,243,427
Net asset value per ordinary share		33.89c	39.88c

The Financial Statements were approved by the Board of Directors of APQ Global Limited and signed on 29 September 2021 on its behalf by:



Bart Turtelboom
Chief Executive Officer



Philip Soulsby
Director

The notes on pages 14 to 33 form an integral part of the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six months ended 30 June 2021

	Share capital	CULS equity component	Convertible preference shares equity component	Share warrants	Other capital reserves	Retained earnings	Exchange reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2020	99,733,054	6,919,355	-	-	300,798	(29,109,833)	(4,927,513)	72,915,861
Comprehensive income for the period								
Loss for the period	-	-	-	-	-	(46,822,932)	-	(46,822,932)
Total comprehensive income for the period	99,733,054	6,919,355	-	-	300,798	(75,932,765)	(4,927,513)	26,092,929
Contributions by and distributions to owners								
Issue of Share warrants	-	-	-	107,702	-	-	-	107,702
Adjustment to convertible preference share terms	-	-	100,813	-	-	-	-	100,813
Share based payments	-	-	-	-	61,688	-	-	61,688
Share based payments settled in cash	-	-	-	-	(6,737)	-	-	(6,737)
Issue of share awards	68,099	-	-	-	(68,099)	-	-	-
Dividends	-	-	-	-	-	(1,540,248)	-	(1,540,248)
As at 30 June 2020	99,801,153	6,919,355	100,813	107,702	287,650	(77,473,013)	(4,927,513)	24,816,147

The notes on pages 14 to 33 form an integral part of the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)
For the six months ended 30 June 2021

	Share capital	CULS equity component	Convertible preference shares equity component	Share warrants	Other capital reserves	Retained earnings	Exchange reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2021	99,869,252	6,919,355	100,813	107,702	259,460	(71,085,642)	(4,927,513)	31,243,427
Comprehensive income for the period								
Loss for the period	-	-	-	-	-	(4,703,457)	-	(4,703,457)
Total comprehensive income for the period	99,869,252	6,919,355	100,813	107,702	259,460	(75,789,099)	(4,927,513)	26,539,970
Contributions by and distributions to owners								
Share based payments	-	-	-	-	34,130	-	-	34,130
Share based payments settled in cash	-	-	-	-	(6,736)	-	-	(6,736)
Issue of share awards	68,099	-	-	-	(68,099)	-	-	-
As at 30 June 2021	99,937,351	6,919,355	100,813	107,702	218,755	(75,789,099)	(4,927,513)	26,567,364

The notes on pages 14 to 33 form an integral part of the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
For the six months ended 30 June 2021

		For the six months ended 30 June 2021	For the six months ended 30 June 2020
Cash flow from operating activities	Note	\$	\$
Cash generated from operations			
Loss for the financial period		(4,703,457)	(46,822,932)
Adjustments for non-cash income and expenses			
Equity settled share-based payments	19	34,130	61,688
Depreciation tangible fixed assets	12	4,633	6,858
Depreciation right of use assets		40,094	42,401
Net loss on financial assets at fair value through profit and loss	13	4,118,423	58,711,659
Net gain on financial liabilities at fair value through profit and loss		-	(570,507)
Net gain on amendment to 6% convertible preference share terms		-	(661,581)
Exchange rate fluctuations		374,919	(3,757,891)
Changes in operating assets and liabilities			
Increase in trade and other receivables	14	(80,540)	(191,814)
Decrease in trade and other payables	15	(28,202)	(38,364)
Decrease in receivables from group undertakings	14	292,468	45,371
Increase / (decrease) in payables from group undertakings	15	19,140	(31,361)
Cash generated from operations		71,608	6,793,527
Interest receivable	8	(6,202)	(2,515)
Finance costs	9	1,375,415	1,263,074
Net cash inflow from operating activities		1,440,821	8,054,086
Cash flow from investing activities			
Payments to acquire investments	13	(449,145)	(8,009,911)
Payments to acquire property, plant and equipment	12	(11,081)	(3,786)
Interest received	8	6,202	2,515
Net cash outflow from investing activities		(454,024)	(8,011,182)
Cash flow from financing activities			
Equity dividends paid	11	-	(1,540,248)
Preference share dividends paid	9	(80,400)	(67,536)
Interest on CULS	16	(729,107)	(633,819)
Cash settled share-based payments	19	(6,736)	(6,737)
Payments for lease rental	21	(44,213)	(44,280)
Net cash outflow from financing activities		(860,456)	(2,292,620)
Net increase / (decrease) in cash and cash equivalents		126,341	(2,249,716)
Cash and cash equivalents at beginning of period		509,928	1,505,234
Exchange rate fluctuations on cash and cash equivalents		10,152	1,388,400
Cash and cash equivalents at end of period		646,421	643,918

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED) (CONTINUED)
For the six months ended 30 June 2021

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	\$	\$
Reconciliation of cash flows to debt		
Brought forward	37,734,253	34,132,003
Cash flows used in servicing interest payments of CULS	(729,107)	(633,819)
Cash flows used in principal payments of lease liabilities	(44,213)	(44,280)
Non-cash flows – net impact of recognition of convertible preference shares	-	1,347,099
Non cash flows – amortisation of discount on CULS issue	1,288,720	1,150,021
Non cash flows – amortisation of discount on lease liabilities	6,295	2,184
Exchange differences	382,245	(2,334,217)
Closing balance	38,638,193	33,618,991
Net debt comprises the following:		
Convertible Unsecured Loan Stock 2024	37,166,854	32,250,590
6% convertible preference shares	1,347,099	1,347,099
Lease liabilities	124,240	21,302
	38,638,193	33,618,991

The notes on pages 14 to 33 form an integral part of the Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021

1. Corporate information

The interim consolidated financial statements of APQ Global Limited (the “Group”) for the six months ended 30 June 2021 were authorised for issue in accordance with a resolution of the Board of Directors on 29 September 2021. The Company is incorporated as a limited company in Guernsey. The Company was incorporated on 10 May 2016 for an unlimited duration in accordance with the Companies (Guernsey) Law, 2008. The Company's registered office is at PO Box 142, The Beehive, Rohais, St Peter Port, Guernsey, GY1 3HT.

The objective of the Company is to steadily grow its earnings to seek to deliver attractive returns and capital growth through a combination of building growing businesses in emerging markets as well as earning revenue from income generating operating activities¹.

The Company and its subsidiaries have no investment restrictions and no maximum exposure limits will apply to any investments made by the Group, unless otherwise determined and set by the Board from time to time. No material change will be made to the Company's or subsidiaries objective or investing policy without the approval of Shareholders by ordinary resolution.

The Group's investment activities are managed by the Board.

The shares are quoted on The International Stock Exchange for informational purposes. The ordinary shares are admitted to trading on AIM.

2. Significant accounting policies

2.1 Basis of preparation

These interim consolidated financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They do not include all disclosures that would otherwise be required in a complete set of financial statements and should be read in conjunction with the 2020 Annual Report.

Taking account of the financial resources available to the Company, the directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. After making enquiries the directors have a reasonable expectation that the Company has adequate resources for the foreseeable future, a period of not less than twelve months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing the condensed financial statements.

2.2 Basis of accounting

APQ Global Limited has applied the same accounting policies and methods of computation in its interim consolidated financial statements as in its 2020 annual financial statements.

2.3 Functional and presentational currency

The Company's presentational and functional currency is US Dollars.

2.4 Fair value measurement

The Company measures its investments in APQ Cayman Limited, APQ Corporate Services Limited, APQ Knowledge Limited and BARTR Holdings Limited at fair value at each reporting date.

For APQ Cayman Limited this is considered to be the carrying value of the net assets of APQ Cayman Limited. APQ Cayman Limited measures its underlying investments at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

¹ Where we refer to revenue from income generating operating activities this relates to the revenue of our investee companies.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021**2. Significant accounting policies (continued)****2.4 Fair value measurement (continued)**

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price (bid price for long positions and ask price for short positions), without any deduction for transaction costs.

For all other financial assets, not traded in an active market, including APQ Corporate Services Limited, APQ Knowledge Limited and BARTR Holdings Limited, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. These have been determined in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guidelines. These guidelines require the valuer to make judgements with regards to the most appropriate valuation method to be used and the results and inputs used to determine these valuations. Valuation methods that may be used include:

- The income approach – valuation through discounted cash flow forecast of future cash flows or earnings, using appropriate discount rates.
- The market approach – valuation by comparing the asset being valued to comparable assets for which price information is readily available. This price information can be in the form of transactions that have occurred or market information on companies operating in a similar industry.
- The cost approach – valuation based on the cost of reproducing or replacing the asset being valued.

The use of these guidelines requires management to make judgements in relation to the inputs utilised in preparing these valuations. These include but are not limited to:

- Determination of appropriate comparable assets and benchmarks; and
- Adjustments required to existing market data to make it more comparable to the asset being valued.

The use of these guidelines additionally requires management to make significant estimates in relation to the inputs utilised in preparing these valuations. These include but are not limited to:

- Future cash flow expectations deriving from these assets; and
- Appropriate discount factors to be used in determining the discounted future cash flows.

Where an assets fair value cannot be determined the Company measures these assets at a valuation of \$nil. For assets and liabilities that are measured at fair value on a recurring basis, the Company identifies transfers between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole), and deems transfers to have occurred at the beginning of each reporting period.

2.5 6% Convertible preference shares

APQ Capital Services Limited, a subsidiary of the Company, issued 6% convertible preference shares (“CPS”). The CPS contain a perpetual 6% dividend rate and a conversion option for ordinary shares of APQ Global Limited. On initial issue the CPS were recognised as a liability comprising a liability held at amortised cost and a derivative conversion option held at fair value through profit and loss.

At the date of issue, the fair value of the liability component held at amortised cost was estimated by assuming that an equivalent non-convertible obligation of the Company would have a coupon rate of 7.9%. The fair value of the derivative component, containing a variable conversion rate, is derived from the difference between the value of the consideration determined for the acquisition of Parish Group Limited and the fair value assigned to the liability held at amortised cost.

The terms of the CPS were amended on the 30 June 2020, to amend the conversion option to a fixed ratio of CPS to ordinary shares. Subsequent to this amendment to the CPS are regarded as a compound instrument, comprising of a liability component and an equity component. Due to the significant change in the terms of the CPS the initial instrument was derecognised and then recognised at the new fair value. Any gain/loss on the derecognition of the liability is recognised in the statement of comprehensive income.

On amendment, the fair value of the liability component was estimated by assuming that an equivalent non-convertible obligation of the Company would have a coupon rate of 11.9%. The fair value of the equity component was determined in based on the present value of the average gain on conversion based on a range of simulated share prices.

The dividends on the convertible preference shares are taken to the statement of comprehensive income as finance costs.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021

2. Significant accounting policies (continued)

2.6 Share warrants

Share warrants issued are measured at fair value at the date of issue using the Black-Scholes pricing model, which incorporates certain input assumptions including the warrant price, risk-free interest rate, expected warrant life and expected share price volatility. The fair value is included as a component of equity and is transferred from the share warrant equity reserve to share capital on exercise. If the warrants expire then the fair value is transferred from the share warrant equity reserve to retained earnings.

3. Segment Information

For management purposes, the Group is organised into one main operating segment, which invests in equities and credit, government and local currency bonds. All of the Group's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole.

The following table analyses the Group's assets by geographical location. The basis for attributing the assets are the place of listing for the securities or for non-listed securities, country of domicile.

Group	30 June 2021	31 December 2020
	\$	\$
Cayman	49,687,720	53,586,488
United Kingdom	497,397	551,655
Guernsey	11,979,620	11,736,157
Europe	3,501,488	3,679,429
	<u>65,666,225</u>	<u>69,553,729</u>

4. Analysis of turnover

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	\$	\$
Dividends received from APQ Cayman Limited	3,087,885	7,635,275
Dividends received from APQ Corporate	-	989,193
Dividends received from APQ Knowledge	96,702	-
Telecommunications minutes income	-	674,821
Other income from early settlement of deferred compensation	-	77,931
Other income from amendment to 6% convertible preference share terms	-	661,581
	<u>3,184,587</u>	<u>10,038,801</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021
5. Analysis of administrative expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	\$	\$
Personnel expenses	522,525	302,790
Depreciation of tangible fixed assets expenses	4,633	6,858
Depreciation of right of use assets	40,661	42,401
Audit fees	85,489	87,372
Auditors' remuneration – non audit fees	-	6,996
Nominated advisor fees	34,364	31,753
Cost of purchasing telecommunications minutes	-	665,948
Expenses incurred in relation to investment in BARTR Holdings Limited	-	2,463
Administration fees and expenses	87,436	97,086
Director's remuneration	84,668	100,948
Other expenses	98,691	158,762
Professional fees	1,262,868	722,266
Share based payment expenses	34,130	61,688
Insurance	5,586	5,686
Recharge of expenses to APQ Cayman Limited	(242,529)	(231,397)
	<u>2,018,522</u>	<u>2,061,620</u>

6. Director's remuneration

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	\$	\$
Director's remuneration	84,668	98,940
Share based payment expenses	27,304	49,350
Social security costs on director's remuneration	-	2,008
	<u>111,972</u>	<u>150,298</u>
The highest paid director was Bart Turtelboom (2020 – Bart Turtelboom)	<u>43,959</u>	<u>79,777</u>
Average number of directors in the year	<u>4</u>	<u>4</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021
7. Personnel expenses

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	\$	\$
Short term benefits – wage and salaries	184,094	110,933
Short term benefits – social security costs	15,701	13,883
Short term benefits – other benefits	314,273	173,219
Short term benefits – Share based payment expenses	6,826	12,338
Post-employment benefits	8,457	4,755
	<u>529,351</u>	<u>315,128</u>

Personnel expenses include expenses per note 5 and the portion of share based payments relating to individuals who are not directors of the Company.

Key management personnel expenses, excluding director's remuneration detailed in note 6, is as follows:

Short term benefits – other benefits	272,024	169,808
Short term benefits – Share based payment expenses	6,826	12,338
	<u>278,850</u>	<u>182,146</u>

8. Interest receivable

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	\$	\$
Loan interest receivable from Palladium Trust Services Limited	6,202	1,884
Loan interest receivable from New Markets Media & Intelligence Ltd	-	631
	<u>6,202</u>	<u>2,515</u>

9. Finance costs

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	\$	\$
Interest on 3.5% Convertible Unsecured Loan Stock 2024	1,288,720	1,150,021
Discount on unwinding of deferred consideration	-	43,333
Discount on unwinding of lease liability	6,295	2,184
Dividends paid on 6% convertible preference shares	80,400	67,536
	<u>1,375,415</u>	<u>1,263,074</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021
10. Earnings Per Share

The basic and diluted earnings per shares are calculated by dividing the profit or loss by the average number of ordinary shares outstanding during the period.

	For the six months ended 30 June 2021	For the six months ended 30 June 2020
	\$	\$
Total comprehensive income for the period	(4,703,457)	(46,822,952)
Average number of shares in issue	78,382,601	78,271,130
Earnings per share	<u><u>(0.06001)</u></u>	<u><u>(0.59821)</u></u>

The Group had share awards vested but not yet issued, which are not dilutive in 2020, as the impact of dilution would be to decrease the loss per share. The impact of these share awards would have no impact on the total comprehensive income/loss for the year. They would increase the weighted average number of shares by 204,450 (30 June 2020 – 321,278).

The Group has 6,000 (30 June 2020 – 6,000) units of Convertible Loan Stock which are potentially dilutive if converted into ordinary shares. This would increase the weighted average number of shares by 6,000 (30 June 2020 - 6,000) exercise price on these conversion options currently exceeds the traded share price of APQ Global. These are not currently dilutive (30 June 2020 – not dilutive).

Potentially dilutive instruments in issue

On the 29 January 2020, APQ Global issued 1,000,000 share warrants with an exercise price of 70.94p. The possible impact of this dilution would be to increase the weighted average number of shares by 1,000,000. These share warrants are not currently dilutive.

On the 29 January 2020, APQ Global issued 268,000 convertible preference shares which were convertible into a variable number of shares linked to the relative assets attributable to the convertible preference shares. On 30 June 2020, the terms of the Convertible preference shares were changed so that they are now convertible into 11.25 ordinary shares per convertible preference share. The possible impact of this dilution would be to increase the weighted average number of shares by 3,015,000. These convertible preference shares are not currently dilutive.

11. Dividends

No dividends were declared in the period ended 30 June 2021. Dividends declared in the period ended 30 June 2020 were as follows:

	Ex-dividend date	Payment date	Dividend (£)	Dividend (\$)	Dividend per share (£)	Dividend per share (\$)
Dividend	30 January 2020	2 March 2020	1,174,014	1,540,248	0.015	0.020
			1,174,014	1,540,248	0.015	0.020

The stated dividend policy of the Company is to target an annualised dividend yield of 6% based on the Placing Issue Price. Due to the impact of Covid-19 the Company has ceased all dividends until further notice.

There is no guarantee that any dividends will be paid in respect of any financial period. The ability to pay dividends is dependent on a number of factors including the level of income returns from the Group's investments. There can be no guarantee that the Group will achieve the target rates of return referred to in this document or that it will not sustain any capital losses through its activities.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021
12. Property, plant and equipment

	Office equipment \$	Furniture and fixtures \$	Leasehold improvements \$	Total \$
Cost				
At 1 January 2021	73,124	19,867	34,588	127,579
Additions during the period	10,698	383	-	11,081
At 30 June 2021	83,822	20,250	34,588	138,660
Accumulated depreciation				
At 1 January 2021	61,997	17,494	34,588	114,079
Charge for the period	3,745	888	-	4,633
At 30 June 2021	65,742	18,382	34,588	118,712
Net book value				
At 30 June 2021	18,080	1,868	-	19,948
At 31 December 2020	11,127	2,373	-	13,500

13. Investments
Unlisted investments

	APQ Cayman Limited \$	APQ Corporate Services Limited \$	APQ Knowledge Limited \$	BARTR Holdings Limited \$	Listed Investments \$	Total \$
At 1 January 2021	53,586,488	9,168,732	1,330,042	-	3,679,429	67,764,691
Additions	-	340,000	-	-	-	340,000
Fair value movement	(3,898,768)	(41,714)	-	-	(177,941)	(4,118,423)
	49,687,720	9,467,018	1,330,042	-	3,501,488	63,986,268

The Company meets the definition of an investment entity, it is therefore required to measure its investments, including its subsidiary undertakings at fair value. Subsidiary undertakings whose primary purpose is to support the investment activities of the Company are consolidated on a line for line basis. Subsidiary undertakings which act as an investment holding company are valued based on the underlying trading investment companies they hold. These investments are held solely for capital appreciation and investment income and measured at fair value through profit and loss ("FVTPL").

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021
13. Investments (continued)
Investments in subsidiaries

The following tables outlines the subsidiary undertakings of the Company:

Name	Country of incorporation	Registered Office	Immediate Parent Company	Holding %	Acquisition/ Incorporation Date	Activity	Recognition
APQ Capital Services Limited	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	APQ Global Limited	100	31 July 2019	Investment support	Consolidated
APQ Cayman Limited	Cayman Islands	Mourant Ozannes Corporate Services (Cayman) Limited, 94 Solaris Avenue, Camana Bay, PO Box 1348, Grand Cayman KY1-1108	APQ Global Limited	100	10 August 2016	Investment entity	FVTPL
APQ Corporate Services Limited	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	APQ Global Limited	100	10 January 2019	Investment holding company	FVTPL
APQ Knowledge Limited	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	APQ Global Limited	100	1 March 2019	Investment holding company	FVTPL
APQ Partners LLP	England and Wales	22a St. James's Square, London, SW1Y 4JH	APQ Global Limited	100	10 August 2016	Investment support	Consolidated
New Markets Media & Intelligence Ltd	England and Wales	22a St. James's Square, London, SW1Y 4JH	APQ Knowledge Limited	100	26 February 2019 ¹	Trading investment company	FVTPL
Palladium Finance Group Limited	Seychelles	Global Gateway 8, Rue de la Perle, Providence, Seychelles	APQ Corporate Services Limited	100	22 February 2019 ²	Trading investment company	FVTPL

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2021

13. Investments (continued)

Palladium Trust Company (NZ) Limited	New Zealand	Level 8, AIG Building, 41 Shortland Street, Auckland, New Zealand 1010	APQ Corporate Services Limited	100	22 February 2019 ²	Trading investment company	FVTPL
Palladium Trust Services Ltd	England and Wales	22a St. James's Square, London, SW1Y 4JH	APQ Corporate Services Limited	100	22 February 2019 ²	Trading investment company	FVTPL
Delphos International, Ltd ³	United States	2121 K St, N 2121 K St, NW, Suite 1020, Washington, DC 20037	APQ Corporate Services Limited	100	3 March 2020	Trading investment company	FVTPL
Parish Corporate Services Limited ⁴	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	APQ Corporate Services Limited	100	29 January 2020	Trading investment company	FVTPL
Parish Group Limited ⁴	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	APQ Corporate Services Limited	100	29 January 2020	Trading investment company	FVTPL
Parish Nominees Limited ⁴	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	APQ Corporate Services Limited	100	29 January 2020	Trading investment company	FVTPL
Parish Trustees Limited ⁴	Guernsey	PO Box 142, The Beehive, Rohais, St Peter Port, GY1 3HT	APQ Corporate Services Limited	100	29 January 2020	Trading investment company	FVTPL

The total consideration of the purchase agreement to acquire New Markets Media & Intelligence Ltd was deferred over a 3 year period. As at 30 June 2021, \$80,985 (£58,623) (31 December 2020: \$187,304 (£137,023)) is still due with respect to this purchase agreement and is included within deferred consideration in Note 15.

The total consideration of the purchase agreement to acquire Palladium was deferred over a 3 and a half year period. During 2020, the Company negotiated early settlement of the deferred consideration due under the agreement. A gain of \$77,931 was recognised with respect to this settlement. As at 30 June 2021, \$nil (£nil) (31 December 2020: \$nil (£nil)) is due with respect to this purchase agreement.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2021

13. Investments (continued)

In 2020, the Company invested \$8,495,598 in APQ Corporate Services Limited in the year. This was to facilitate the investments it has made in Delphos and Parish.

³In consideration to the shareholders of Delphos, a capital raising and transaction advisory business, APQ Corporate Services Limited, a wholly owned subsidiary of the Company, paid an upfront amount of \$1.5 million in cash. APQ Corporate Services Limited, was also required to make an additional payment to clear the working capital of Delphos prior to the acquisition, this amounted to \$112,265. The Company invested \$1,612,266 to facilitate this investment.

⁴Parish Group Limited is a fiduciary and corporate services provider. In consideration to the sellers for the acquisition the Company, via its wholly owned subsidiary, APQ Corporate Services, paid a net amount of \$4,095,630 cash consideration to the sellers. APQ Capital Services Limited, a wholly owned subsidiary of the Company, issued 268,000 Convertible Preference Shares (convertible into ordinary shares in APQ Global) to the sellers at price of \$10 per share. The Company additionally issued 1.0 million warrants in APQ Global with an exercise price equal of 40.19 pence, to the Sellers. Total consideration is valued at \$6,883,332 which the Company invested in APQ Corporate Services Limited to facilitate this investment.

Investments in subsidiaries – additions in the period ended 30 June 2021

FMA – Frontier Markets Advisors Inc ⁵	Canada	202-230 ch. du Golf, Montreal, QC H3E 2A8, Canada	APQ Corporate Services Limited	70	20 January 2021	Trading investment company	FVTPL
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On 20 January 2021, APQ Corporate Services Limited, a wholly owned subsidiary of the Company, entered into an agreement to purchase 70% of the FMA- Frontier Markets Advisors Inc a company incorporated and domiciled in Canada which provide investment and financing services. The total cash consideration of this purchase agreement was \$260,000. During the 6 months period ended 30 June 2021, a further \$80,000 was invested in FMA - Frontier Markets Advisors Inc.

Investments in subsidiaries – disposals

On 4 December 2020, the Company, via its wholly owned Subsidiary, APQ Corporate Services, sold its investment in GEO Strategic Partners Limited, a company registered in the Isle of Man. GEO Strategic Partners Limited was not consolidated and was recognised as an investment at fair value through profit or loss as part of the valuation of APQ Corporate Services Limited.

On 1 December 2020, Palladium Trust Company (BVI) Limited, a wholly owned subsidiary of the APQ Corporate Services Limited, incorporated in the British Virgin Islands was dissolved.

On 18 December 2020, APQ Connect Limited, a subsidiary of the Company, incorporated in Guernsey was dissolved. The Company wrote off an amount of £216,543 which was due from APQ Connect Limited.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) For the six months ended 30 June 2021

13. Investments (continued)

Other investments

On the 19 November 2018, APQ Global Limited acquired a capital interest representing a 40% shareholding and equivalent voting rights BARTR Holdings Limited, a company incorporated in England and Wales, whose registered office is Tobias House St. Marks Court, Thornaby, Stockton-On-Tees, United Kingdom, TS17 6QW. BARTR Holdings Limited wholly owns two subsidiaries, BARTR Connect Limited, whose registered office is Tobias House St. Marks Court, Thornaby, Stockton-On-Tees United Kingdom, TS17 6QW, and BARTR Technologies Limited, whose registered office is 156 Great Charles Street Queensway, Birmingham, England, B3 3HN. On 19 May 2020, the capital interest was converted from ordinary shares to preference shares which have no voting rights, but preferential dividends and preferential rights on assets on wind up of BARTR Holdings Limited. BARTR Holdings Limited is held as an investment at fair value through profit or loss.

The Company has made direct investments in equities that are freely traded on international stock exchanges. These investments are highly liquid and measured at fair value through profit and loss.

Valuation techniques

APQ Cayman Limited has a portfolio of tradable assets and liabilities which it values at fair value using the same policies as the Company. The Company is able to redeem its holding of APQ Cayman Limited at its net asset value. Fair value of the investment in APQ Cayman Limited is therefore measured at its Net Asset Value ("NAV"). NAV is determined based on the observable market values of its portfolio of assets and liabilities.

Fair value of the investment in APQ Corporate, has been determined by determining the valuation of its underlying investments. The underlying investments have been valued through the income approach, incorporating comparison with external sources and the expected cash flows of the investment. The income approach was determined to be the most appropriate as the underlying investments are revenue generating businesses.

The investment in APQ Knowledge Limited was completed on 1 March 2019. Fair value has been determined by determining the valuation of its underlying investments. The underlying investments have been valued through the income approach, incorporating comparison with external sources and the expected cash flows of the investment. The income approach was determined to be the most appropriate as the underlying investments are revenue generating businesses.

The fair value of BARTR Holdings Limited is nil. This is due to BARTR Holdings Limited being a pre-revenue technology start-up company for which future revenue is highly uncertain, and without comparable companies to benchmark the valuation against. The income approach and market approach therefore do not produce a reliable valuation and management has therefore determined the valuation to be \$nil.

Listed investments are measured at fair value using the current market bid price for the underlying equity as quoted on the applicable stock exchange the security is traded on.

Unlisted managed funds

The Company classifies its investments into the three levels of the fair value hierarchy based on:

Level 1: Quoted prices in active markets for identical assets or liabilities;

Level 2: Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has classified its investments in BARTR Holdings Limited, APQ Corporate Services Limited and APQ Knowledge Limited as level 3 as the inputs utilised in valuing the investments are deemed to be unobservable, as they are private investments. The most significant unobservable input used in the fair value of the investments in APQ Corporate Services Limited and APQ Knowledge Limited are the future expected cash flows of the investments these companies hold, used in deriving a valuation using discounted cash flows. Valuation is determined for these holding companies by the value of the underlying investments held. The Company has valued its investment in BARTR Holdings Limited as \$nil. The unobservable inputs of future cash flows could not be reliably determined due to the pre-revenue nature of the business and therefore the most reliable fair value to be determined was \$nil. The movement in the investments in the year are shown above.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021
13. Investments (continued)
Unlisted managed funds

The Company has classified its investments in APQ Cayman Limited as level 3. Valuation is determined based on the NAV. The majority of underlying assets and liabilities of APQ Cayman Limited are held at fair value based on observable markets.

The listed investments are designated as Level 1 instruments in the fair value hierarchy as fair value can be determined by the quoted market price for these assets. The movement of investments classified by level is as per the below.

The movement of investments classified by level is as per the below.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
At 1 January 2021	3,679,429	-	64,085,262	67,764,691
Additions	-	-	340,000	340,000
Fair value movement	(177,941)	-	(3,940,482)	(4,118,423)
	<u>3,501,488</u>	<u>-</u>	<u>60,484,780</u>	<u>63,986,268</u>

14. Trade and other receivables

	30 June 2021	31 December 2020
	\$	\$
Trade debtors	114,959	62,448
Amounts due from group undertakings	686,322	978,790
Prepayments and accrued income	68,916	39,437
Other debtors	23,109	24,559
	<u>893,306</u>	<u>1,105,234</u>

15. Trade and other payables

	30 June 2021	31 December 2020
	\$	\$
Trade creditors	163,002	100,808
Other creditors	33,408	22,749
Amounts due to group undertakings	52,382	33,242
Accruals	130,891	231,946
Lease liability	80,957	76,595
Deferred consideration	80,985	187,304
	<u>541,625</u>	<u>652,644</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021
16. 3.5% Convertible Unsecured Loan Stock 2024

	Nominal number of CULS \$	Liability component \$	Equity component \$
As at 1 January 2021	41,446,167	36,226,778	6,919,355
Amortisation of discount on issue and issue expenses	-	1,288,720	-
Interest paid during the period	-	(729,107)	-
Exchange differences	-	380,463	-
As at 30 June 2021	41,446,167	37,166,854	6,919,355

At an Extraordinary General Meeting held on 4 September 2017, Resolutions were passed approving the issue of 4,018 3.5 per cent. convertible unsecured loan stock 2024 (“CULS”) to raise £20,090,000 before expenses. The CULS were admitted to trading on the International Securities Market, the London Stock Exchange’s market for fixed income securities and dealings commenced at 8.00 a.m. on 5 September 2017.

Following Admission there were 4,018 CULS in issue. Holders of the CULS are entitled to convert their CULS into Ordinary Shares on a quarterly basis throughout the life of the CULS, commencing 31 December 2017, and all outstanding CULS will be repayable at par (plus any accrued interest) on 30 September 2024. The initial conversion price is 105.358 pence, being a 10 per cent. premium to the unaudited Book Value per Ordinary Share on 31 July 2017. Following conversion of 80 per cent. or more of the nominal amount of the CULS originally issued, the Company will be entitled to require remaining CULS Holders to convert their outstanding CULS into Ordinary Shares after they have been given an opportunity to have their CULS redeemed.

On 22 January 2018, the Company raised a further £10,207,300 (\$14,492,418) before expenses through the issue of 1,982 units of 3.5 per cent. convertible unsecured loan stock 2024 in denominations of £5,000 (\$7,099) nominal each, at an issue price of £5,150 (\$7,312) per unit.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021
17. 6% convertible preference shares

	Nominal number of preference shares	Liability held at amortised cost \$	Liability held at fair value through profit and loss \$	Equity component \$
As at 1 January 2021	268,000	1,347,099	-	100,813
As at 30 June 2021	<u>268,000</u>	<u>1,347,099</u>	<u>-</u>	<u>100,813</u>

On the 29 January 2020, APQ Capital Services Limited, a subsidiary of APQ Global, issued 268,000 convertible preference shares at a value of \$10 per share, which were convertible into a variable number of shares linked to the relative assets attributable to the convertible preference shares. These convertible preference shares were admitted to trading on The International Stock Exchange on 30th January 2020

The conversion option into a variable number of shares was identified as a derivative option which was designated at fair value through profit and loss. This instrument was designated as a Level 3 in accordance with the fair value hierarchy as per Note 13. Fair value has been determined in conjunction with a third party valuation firm, using forecasting of the share price at the date the conversion option is exercised. The following assumptions were used in the calculation of the value of the derivative option:

Assumptions

Implicit interest rate	7.9%
Duration	7 years

On 30 June 2020, the terms of the Convertible preference shares were changed so that they are now convertible into 11.25 ordinary shares per convertible preference share. The fair value of the convertible preference shares was remeasured at this date and the previously recognised carrying values of these convertible preference shares were derecognised. Fair value was remeasured using the following assumptions:

Assumptions

Implicit interest rate	11.9%
Duration	6.6 years

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021

18. Share Capital

The authorised and issued share capital of the Company is 78,400,515 ordinary shares of no par value listed on The International Stock Exchange and AIM. All shares are fully paid up.

Quantitative information about the Company's capital is provided in the statement of changes in equity and in the tables below.

Holders of ordinary shares are entitled to dividends when declared and to payment of a proportionate share of the Companies net asset value on any approved redemption date or upon winding up of the Company. They also hold rights to receive notice, attend, speak and vote at general meetings of the Company.

The Company's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its listing documents.
- To maintain sufficient liquidity to meet the expenses of the Company, pay dividends and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Company cost-efficient.
- The Board has authority to purchase up to 14.99 percent. of the issued Ordinary Share capital of the Company. The Board intends to seek a renewal of this authority at each annual general meeting of the Company. No buy backs occurred during the period under review.

	Ordinary shares No	£	\$
As at 1 January 2021	78,347,359	76,898,497	99,869,252
Shares issued from share awards during the period	53,156	50,340	68,099
At 30 June 2021	<u>78,400,515</u>	<u>76,948,837</u>	<u>99,937,351</u>

During the period ended 30 June 2021, 53,156 (period ended 30 June 2020 – 53,156) shares were issued as part of the share award scheme as detailed in note 19.

19. Share awards

On 19 April 2017 (and amended 17 July 2018), the Company established a share award scheme for the employees of the Company. The scheme grants the Board the authority to allot share awards or share options with service conditions attached. Share awards or options can only be awarded for performance periods whereby the book value per share (excluding dividend transactions) exceeds the book value per share for all previous performance period ends. The maximum amount of share awards or options is determined by reference to 20% of the increased performance of the current book value per share against all previous performance periods. The Board retains the right to settle these awards in either shares or cash. As the Company does not have a present obligation to settle in cash the awards are all recognised as equity settled share awards.

The first share awards were granted in 2018 with respect to the performance period ended 31 December 2017.

Grant date	Type of award	No. of instruments	Fair value of instrument granted pence	Vesting conditions	Final vesting date
1 January 2018	Shares	584,141	128.11	Awards vest quarterly over 5 years provided the employee is still in service of the Group.	31 December 2022

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021
19. Share awards (continued)

Fair value for the award dated 1 January 2018 is calculated by reference to the fixed value of cash per share that the Board is at discretion to pay rather than settle the award in shares.

	2021		2020	
	Number of awards	Weighted average of fair value of instrument cents	Number of awards	Weighted average of fair value of instrument cents
Outstanding at 1 January	262,864	128.11	379,692	128.11
Settled in equity	(53,156)	128.11	(53,156)	128.11
Settled in cash	(5,258)	128.11	(5,258)	128.11
Outstanding at 30 June	<u>204,450</u>	<u>128.11</u>	<u>321,278</u>	<u>128.11</u>

	Charge for awards to be settled in Equity \$	Charge for awards settled in Cash \$	Total charge for share based awards \$
Period ended 30 June 2020	54,951	6,737	61,688
Period ended 30 June 2021	27,394	6,736	34,130

The unvested portion of the share awards currently granted is \$43,161 (At 30 June 2020 - \$123,937). Of the awards outstanding the number vested that are available for settlement amount to 29,207 (At 30 June 2020 – 29,207).

20. Share warrants

On 29 January 2020, the Company issued 1,000,000 warrants as part of the acquisition of Parish Group Limited. The fair value of the warrants issued as part of the consideration for this investment was determined using the Black Scholes option pricing model. The assumptions used in the valuation are as follows:

	Assumptions
Share price on issue (cents)	68.50
Exercise price of share warrants (cents)	70.94
Volatility	10.45%
Duration	6.6 years
Risk free rate	1.00%
Dividend yield	0.00%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021
20. Share warrants (continued)

Issue date	Warrants outstanding at 1 January 2020	Warrants issued in the period	Warrants exercised in the period	Warrants lapsed in the period	Warrants outstanding at 30 June 2020	Exercise price cents	Expiry Date
29 January 2020	-	1,000,000	-	-	1,000,000	70.94	30 August 2026
	-	1,000,000	-	-	1,000,000		

The weighted average remaining life of the warrants outstanding is 5 years and two months.

21. Leases
Finance lease commitments

The Company's subsidiary, APQ Partners LLP, leases rental space and information with regards to this lease is outlined below:

	30 June 2020
Rental lease asset	\$
Leased asset on 1 January 2021	160,376
Depreciation for the period	(40,094)
At 30 June 2021	120,282
Rental lease liability	\$
Lease asset on 1 January 2021	160,376
Unwinding discount on lease liability	6,295
Payments for lease	(44,213)
Exchange differences	1,782
At 30 June 2021	124,240

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021**22. Capital Management**

The Group can raise new capital which may be implemented through the issue of a convertible debt instrument, or such other form of equity or debt as may be appropriate. It also has a buy-back authority subject to a maximum buy-back of 14.99 per cent of the issued Ordinary Shares.

The Group's objectives for managing capital are:

- To invest the capital into investments through its subsidiaries.
- To maintain sufficient liquidity to meet the expenses of the Group and pay dividends.
- To maintain sufficient size to make the operation of the Group cost-effective.

The Group may utilise borrowings in connection with its business activities. Although there is no prescribed limit in the Articles or elsewhere on the amount of borrowings that the Group may incur, the Directors will adopt a prudent borrowing policy and oversee the level and term of any borrowings of the Group and will review the position on a regular basis.

The Group's capital comprises:

	30 June 2021	31 December 2020
	\$	\$
Share capital	99,937,351	99,869,252
Preference shares	100,813	100,813
Equity component of 3.5% Convertible Unsecured Loan Stock 2024	6,919,355	6,919,355
Other capital reserves	218,755	259,460
Share warrants reserve	107,702	107,702
Retained earnings	(75,789,099)	(71,085,642)
Exchange reserve	(4,927,513)	(4,927,513)
Total shareholders' funds	26,567,364	31,243,427

23. Related party transactions

Wayne Bulpitt founded the Active Group, now renamed the Aspida Group, who acted as administrator until 10 June 2020; he is also a shareholder of the Company.

Bart Turtelboom founded APQ Partners LLP and is also a director of APQ Cayman Limited as well as the largest shareholder of the Company.

The Directors are remunerated from the Company in the form of fees, payable monthly in arrears. Bart Turtelboom was entitled to an annual salary of £120,000 as Chief Executive Officer of the Company. From 1 April 2018 this was split between the Company and APQ Cayman Limited.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2021

23. Related party transactions (continued)

		APQ Global Limited - remuneration		APQ Global Limited - Share based remuneration		APQ Cayman Limited - remuneration		APQ Capital Services Limited - remuneration		APQ Knowledge Limited - remuneration		APQ Corporate Services Limited - remuneration		Total	
		\$		\$		\$		\$		\$		\$		\$	
		For the six months ended 30 June 2021	For the six months ended 30 June 2020	For the six months ended 30 June 2021	For the six months ended 30 June 2020	For the six months ended 30 June 2021	For the six months ended 30 June 2020	For the six months ended 30 June 2021	For the six months ended 30 June 2020	For the six months ended 30 June 2021	For the six months ended 30 June 2020	For the six months ended 30 June 2021	For the six months ended 30 June 2020	For the six months ended 30 June 2021	For the six months ended 30 June 2020
Bart Turtelboom	Chief Executive Officer	16,655	30,427	27,304	49,350	66,679	45,256	-	-	-	-	-	-	110,638	125,033
Wayne Bulpitt	Non-Executive Chairman	27,712	25,226	-	-	-	-	-	-	-	-	-	-	27,712	25,226
Wesley Davis	Executive Director	22,500	32,250	-	-	22,500	32,250	1,313	-	1,597	-	1,692	-	49,602	64,500
Philip Soulsby	Non-Executive Director	12,157	11,037	-	-	-	-	1,042	-	-	-	-	-	13,199	11,037
Al Wadhah Al Adawi	Executive Director	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		79,024	98,940	27,304	49,350	89,179	77,506	2,355	-	1,597	-	1,692	-	201,151	225,796

The directors represent key management personnel. Additional key management personnel are the partners of the LLP, details of their remuneration is disclosed in Note 6.

APQ Global Limited has incurred \$nil (six months ended 30 June 2020 - \$31,898) of fees and expenses to Active Services (Guernsey) Limited as administrator of the Company.

On 10 June 2020, the Company changed its administrator from Active Services (Guernsey) to Parish Group Limited, a wholly owned subsidiary of APQ Global Limited. APQ Global Limited has incurred \$43,584 (six months ended 30 June 2020 – \$9,082) of fees and expenses to Parish Group Limited as administrator of the Company. As at 30 June 2021 the balance owed to Parish Group Limited was \$nil (31 December 2020 - \$nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2021**23. Related party transactions (continued)**

As described in the Listing Document, and under the terms of the Services Agreement, APQ Partners LLP assist the Board and the Group's management based in Guernsey with the implementation of its business strategy, provide research on business opportunities in emerging markets and provide support for cash management and risk management purposes. APQ Partners LLP are entitled to the reimbursement of expenses properly incurred on behalf of APQ Global Limited in connection with the provision of its services pursuant to the agreement. APQ Partners LLP has recharged expenses of \$250,868 (six months ended 30 June 2020 - \$213,638) to APQ Global Limited during the period. As at 30 June 2021, APQ Global Limited was owed \$123,519 from APQ Partners LLP (31 December 2020 - \$119,926). In both the current and prior period amounts have been eliminated on consolidation.

During the period, the Group recharged expenses to APQ Cayman Limited of \$250,868 (six months ended 30 June 2020 - \$250,318) and was recharged expenses of \$8,339 (six months ended 30 June 2020 - \$18,921) from APQ Cayman Limited. During the six months period to 30 June 2021, APQ Global Limited received dividends from APQ Cayman Limited of \$3,087,885 (six months ended 30 June 2020 - \$7,635,275).

During the period, APQ Global Limited provided funding of \$50,000 (six months ended 30 June 2020 - \$nil) to APQ Corporate Services Limited. As at 30 June 2021, \$550,000 (31 December 2020 - \$850,000) was due from APQ Corporate Services Limited. The Company received dividends of \$nil (six months ended 30 June 2020 - \$989,193).

During the period, APQ Global Limited paid expenses on behalf of APQ Connect Limited amounting to \$nil (six months ended 30 June 2020 - \$101,933). As at 30 June 2021, \$nil (31 December 2020 - \$nil) was due from APQ Connect Limited.

During the period, APQ Global Limited paid \$80,400 (six months ended 30 June 2020 - \$67,536) as dividends to the holders of the convertible preference shares on behalf of APQ Capital Services Limited.

During the period, APQ Global Limited received dividends of \$96,702 (six months ended 30 June 2020 - \$nil) from APQ Knowledge Limited.

In 2021, APQ Global provided a loan to Palladium Trust Services Limited, a group undertaking, of \$nil (31 December 2020 - \$77,849). In addition, the loan attracts interest at a rate of 10%. During the period, APQ Global charged interest of \$6,202 (six months ended 30 June 2020 - \$1,884). As at 30 June 2021, APQ Global Limited was owed \$136,322 (31 December 2020 - \$128,790) from Palladium Trust Services Limited.

In 2019, APQ Global Limited provided a loan to New Markets Media & Intelligence Ltd, of \$24,299. In addition, the loan attracts interest at a rate of 10%. During the period, APQ Global Limited charges interest of \$nil (six months ended 30 June 2020 - \$631). The loan has been fully repaid in the six months ended 30 June 2020. As at 30 June 2021 APQ Global Limited owed \$52,382 (31 December 2020 - \$33,242) to New Markets Media & Intelligence Ltd.