

APQ global limited

Half Year Report for the six months ended 30 June 2022

APQ global limited

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HIGHLIGHTS

For the six months ended 30 June 2022

Financial highlights

Book Value at 30 June 2022 was \$12.53m, a decrease of \$11.06m from \$23.59m 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 14.1 cents from 30.07 to 15.97 cents.

Loss per share for the period was -\$0.14117 (loss for six months ended 30 June 2021: -\$0.06001).

The meaningful decline in book value was driven by the risk-off mood in global markets. The liquid equity market positioning was unchanged at the end of June, however equities and bonds suffered from material price declines. The private investments are unaffected by the market volatility and continue to perform well in line with management expectations.

No dividends were paid in the 6 months period ended 30 June 2022 (6 months ended 30 June 2021: none).

There have been further AIM market trades since 30 June 2022, 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

Shortly after the 6-month period ended 30 June 2022 APQ received MFSA approval for the 100% share purchase and acquisition of WDM Advisory Limited and WDM Trustees Limited, both to be renamed Promethean respectively. These 2 businesses are an addition to the existing corporate service providers within the APQ Group. APQ is continuing to review the market for strategic investments which would provide further synergies with the current investment portfolio.

There have been no changes to the board composition, or any key market advisors and no changes are expected to be made at this stage.

DIRECTORY

Registered Office and Business Address:

PO Box 142
Suite 2, Block C
Hirzel Court, St Peter Port
Guernsey
GY1 3HT

**Company Secretary and
Corporate Services Provider**

Parish Group Limited
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Hirzel Court, St Peter Port
Guernsey
GY1 3HT

Registrar and Transfer Agent

Link Group
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Central Square
29 Wellington Street
Leeds
LS1 4DL

Solicitors

As to English law:

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1 Finsbury Circus
London
United Kingdom
EC2M 7SH

TISE Sponsor

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Guernsey
GY1 4LX

Directors:

Bart Turtelboom
Wayne Bulpitt
Philip Soulsby
Al Wadhah Al Adawi

Nominated Adviser and Broker

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United Kingdom
EC2N 2AX

Principal Bankers

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Zurich
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Advocates

As to Guernsey law:

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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 principal risks. These are classified as current risks, being those that the company is currently managing and could impact achieving the Company's objectives, and emerging risks, being those risks with a future impact from external or internal opportunities or threats. The Directors believe the risks described below are the material risks relating to the Company:

Business Area/Process	Perceived risk	Current or emerging 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.	Current and emerging	Considered on an ongoing basis by the Board during quarterly board meetings. Further advice comes from the Investment Advisory Committee. Where deemed necessary the Directors will engage external legal and professional advisers.
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.	Current	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 Investees 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.	Current	The Company has taken the decision not to hedge its foreign currency exposure, in regard 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.	Current	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 monitors 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 Company's investee entities.	Current	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.	Current and emerging	These risks and the controls in place to mitigate them are reviewed at board meetings.

Principal Risks and Uncertainties (continued)

Business Area/Process	Perceived risk	Current or emerging risk	Mitigation
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.	Current and emerging	To optimise returns, Shareholders may need to hold the Ordinary Shares for the long term.
Liquidity	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.	Current	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.
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.	Current	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.	Current	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 impact of Covid-19 on the Global economy.	Current	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 from Covid-19.
Invasion of Ukraine	Russia initiated military action to invade Ukraine in February 2022. To deter these actions, western governments levied sanctions against the Russian government and connected enterprises and individuals.	Current and emerging	The Company and Group does not have any investments that are directly or indirectly affected by the sections levied to date thus the impact of this risk is limited to the effect of global uncertainty arising as a result. Directors continue to monitor the conflict and investment portfolio and will implement necessary actions where possible to reduce the impact from further escalation of military actions and sanctions.

Principal Risks and Uncertainties (continued)

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

Business Area/Process	Perceived risk	Current or emerging 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.	Current	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.	Current	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.	Current	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.	Current	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.	Emerging	The Company chooses reputable financial service providers as its counterparties and uses multiple service providers to lessen the impact should one become insolvent.

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

Business Area/Process	Perceived risk	Current or emerging 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.	Current	The Company values its investments in accordance with International Financial Reporting Standards and employs external valuation experts to perform these valuations.

Principal Risks and Uncertainties (continued)

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:
 - 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
 - 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

[Wayne Bulpitt \(Sep 28, 2022 14:35 GMT+1\)](#)

Wayne Bulpitt
Chairman, APQ Global Limited

Date: 28 September 2022

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
For the six months ended 30 June 2022


	Note	For the six months ended 30 June 2022 \$	For the six months ended 30 June 2021 \$
Turnover	4	5,519,712	3,184,587
Net loss on financial assets at fair value through profit and loss	13	(16,679,054)	(4,118,423)
Administrative expenses	5	1,310,886	(2,400,408)
Operating loss for the period before tax		(9,848,456)	(3,334,244)
Interest receivable	8	7,100	6,202
Finance costs	9	(1,227,892)	(1,375,415)
Loss on ordinary activities before taxation		(11,069,248)	(4,703,457)
Tax on loss on ordinary activities		-	-
Loss on ordinary activities before taxation		(11,069,248)	(4,703,457)
Other comprehensive income		-	-
Total comprehensive loss for the period		(11,069,248)	(4,703,457)
Basic and diluted earnings per share	10	-0.14117	(0.06001)


The notes on pages 14 to 32 form an integral part of the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
As at 30 June 2022

	Note	30 June 2022 \$	31 December 2021 \$
Assets			
Non-current assets			
Property, plant and equipment	12	34,791	34,168
Right of use assets	21	40,093	80,187
Investments	13	44,454,997	59,734,052
Total non-current assets		44,529,881	59,848,407
Current assets			
Trade and other receivables	14	411,289	940,428
Cash and cash equivalents		1,784,151	670,644
Total current assets		2,195,440	1,611,072
Total assets		46,725,321	61,459,479
Current liabilities			
Trade and other payables	15	(477,694)	(840,406)
Total current liabilities		(477,694)	(840,406)
Long term liabilities			
3.5% Convertible Unsecured Loan Stock	16	(33,715,582)	(37,025,083)
Total long-term liabilities		(33,715,582)	(37,025,083)
Net assets		12,532,045	25,593,990
Equity			
Share capital	18	100,073,549	100,005,450
Equity component of 3.5% Convertible Unsecured Loan Stock	16	6,919,355	6,919,355
Other capital reserves	19	106,535	167,331
Retained earnings		(89,639,881)	(78,570,633)
Exchange reserve		(4,927,513)	(4,927,513)
Total equity		12,532,045	23,593,990
Net asset value per ordinary share		15.97	30.07

The Financial Statements were approved by the Board of Directors of APQ Global Limited and signed on 28 September 2022 on its behalf by:


 Bart Turtelboom (Sep 28, 2022 11:14 EDT)
 Bart Turtelboom
 Chief Executive Officer


 Philip Soulsby (Sep 28, 2022 14:49 GMT+1)
 Philip Soulsby
 Director

The notes on pages 14 to 32 form an integral part of the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the six months ended 30 June 2022

	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	-	-	-	-	-	(4,703,457)	-	(4,703,457)
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 32 form an integral part of the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED) (continued)
For the six months ended 30 June 2022

	Share capital	CULS equity component	Convertible preference shares equity component	Share warrants	Other capital reserves	Retained earnings	Exchange reserve	Total
	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2022	100,005,450	6,919,355	-	-	167,331	(78,570,633)	(4,927,513)	23,593,990
Comprehensive income for the period								
Loss for the period	-	-	-	-	-	(11,069,248)	-	(11,069,248)
Total comprehensive income for the period	-	-	-	-	-	(11,069,248)	-	(11,069,248)
Contributions by and distributions to owners								
Share based payments	-	-	-	-	14,039	-	-	34,130
Share based payments settled in cash	-	-	-	-	(6,736)	-	-	(6,736)
Issue of share awards	68,099	-	-	-	(68,099)	-	-	-
As at 30 June 2022	100,073,549	6,919,355	-	-	106,535	(89,639,881)	(4,927,513)	12,532,045

The notes on pages 14 to 32 form an integral part of the Financial Statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED)
For the six months ended 30 June 2022

		For the six months ended 30 June 2022	For the six months ended 30 June 2021
Cash flow from operating activities	Note	\$	\$
Cash generated from operations			
Loss for the financial period		(11,069,248)	(4,703,457)
Adjustments for non-cash income and expenses			
Equity settled share-based payments	19	14,039	34,130
Depreciation tangible fixed assets	12	8,405	4,633
Depreciation right of use assets		40,094	40,094
Net loss on financial assets at fair value through profit and loss	13	16,679,054	4,118,423
Exchange rate fluctuations		(3,811,117)	374,919
Changes in operating assets and liabilities			
Increase in trade and other receivables	14	(31,628)	(80,540)
Decrease in trade and other payables	15	(187,107)	(28,202)
Decrease in receivables from group undertakings	14	560,767	292,468
(Decrease)/increase in payables from group undertakings	15	(129,876)	19,140
Cash generated from operations		2,073,383	71,608
Interest receivable	8	(7,100)	(6,202)
Finance costs	9	1,227,892	1,375,415
Net cash inflow from operating activities		2,744,176	1,440,821
Cash flow from investing activities			
Payments to acquire investments	13	(1,400,000)	(449,145)
Payments to acquire property, plant and equipment	12	(9,028)	(11,081)
Interest received	8	7,100	6,202
Net cash outflow from investing activities		(1,401,928)	(454,024)
Cash flow from financing activities			
Equity dividends paid	11	-	-
Preference share dividends paid	9	-	(80,400)
Interest on CULS	16	(669,427)	(729,107)
Cash settled share-based payments	19	(6,736)	(6,736)
Payments for lease rental	21	(55,395)	(44,213)
Net cash outflow from financing activities		(731,558)	(860,456)
Net increase / (decrease) in cash and cash equivalents		1,160,689	126,341
Cash and cash equivalents at beginning of period		670,644	509,928
Exchange rate fluctuations on cash and cash equivalents		(47,182)	10,152
Cash and cash equivalents at end of period		1,784,151	646,421

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW (UNAUDITED) (CONTINUED)
For the six months ended 30 June 2022

	For the six months ended 30 June 2022 \$	For the six months ended 30 June 2021 \$
Reconciliation of cash flows to debt		
Brought forward	37,108,863	37,734,253
Cash flows used in servicing interest payments of CULS	(669,427)	(729,107)
Cash flows used in principal payments of lease liabilities	(55,395)	(44,213)
Non cash flows – amortisation of discount on CULS issue	1,225,319	1,288,720
Non cash flows – amortisation of discount on lease liabilities	2,573	6,295
Exchange differences	(3,858,300)	382,245
Closing balance	33,753,633	38,638,193
Net debt comprises the following:		
Convertible Unsecured Loan Stock 2024	33,715,582	37,166,854
6% convertible preference shares	-	1,347,099
Lease liabilities	38,051	124,240
	33,753,633	38,638,193

The notes on pages 14 to 32 form an integral part of the Financial Statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)**For the six months ended 30 June 2022****1. Corporate information**

The interim consolidated financial statements of APQ Global Limited (the “Group”) for the six months ended 30 June 2022 were authorised for issue in accordance with a resolution of the Board of Directors on 29 September 2022. 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, Suite 2, Block C, Hirzel Court, 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 2021 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 2021 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 2022**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 2022
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 2022 \$	30 June 2021 \$
Cayman	28,971,027	49,687,720
United Kingdom	480,794	497,397
Guernsey	15,092,820	11,979,620
Europe	2,180,678	3,501,488
	<u>46,725,319</u>	<u>65,666,225</u>

4. Analysis of turnover

	For the six months ended 30 June 2022 \$	For the six months ended 30 June 2021 \$
Dividends received from APQ Cayman Limited	5,519,712	3,087,885
Dividends received from APQ Knowledge	-	96,702
	<u>5,519,712</u>	<u>3,184,587</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2022

5. Analysis of administrative expenses

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
	\$	\$
Personnel expenses	420,954	522,525
Depreciation of tangible fixed assets expenses	8,405	4,633
Depreciation of right of use assets	40,094	40,661
Payments on short term leases	61,556	-
Audit fees	78,205	85,489
Nominated advisor fees	-	34,364
Administration fees and expenses	107,651	87,436
Director's remuneration	115,180	84,668
Other expenses	232,732	98,691
Professional fees	1,564,016	1,262,868
Share based payment expenses	14,039	34,130
Insurance	8,988	5,586
Recharge of expenses to APQ Cayman Limited	(180,577)	(242,529)
Net exchange (gains)/losses	(3,782,129)	381,886
	<u>(1,310,886)</u>	<u>2,400,408</u>

6. Directors' remuneration

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
	\$	\$
Directors' remuneration	115,180	84,668
Share based payment expenses	11,231	27,304
	<u>126,411</u>	<u>111,972</u>
The highest paid director was Bart Turtelboom (2021: Bart Turtelboom)	<u>26,701</u>	<u>43,959</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 2022
7. Personnel expenses

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
	\$	\$
Short term benefits – wage and salaries	133,295	184,094
Short term benefits – social security costs	10,695	15,701
Short term benefits – other benefits	271,632	314,273
Short term benefits – Share based payment expenses	2,808	6,826
Post-employment benefits	5,332	8,457
	<u>423,762</u>	<u>529,351</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	264,656	272,024
Short term benefits – Share based payment expenses	<u>2,808</u>	<u>6,826</u>
	<u>267,464</u>	<u>278,850</u>

8. Interest receivable

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
	\$	\$
Loan interest receivable from Palladium Trust Services Limited	7,100	6,202
	<u>7,100</u>	<u>2,515</u>

9. Finance costs

	For the six months ended 30 June 2022	For the six months ended 30 June 2021
	\$	\$
Interest on 3.5% Convertible Unsecured Loan Stock 2024	1,225,319	1,288,720
Discount on unwinding of lease liability	2,573	6,295
Dividends paid on 6% convertible preference shares	-	80,400
	<u>1,227,892</u>	<u>1,375,415</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2022
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 2022 \$	For the six months ended 30 June 2021 \$
Total comprehensive income for the period	(11,069,248)	(4,703,457)
Average number of shares in issue	78,408,067	78,382,601
Earnings per share	<u>(0.14117)</u>	<u>(0.06001)</u>

The Group had share awards vested but not yet issued, which are not dilutive in 2022, 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 58,414 (30 June 2021: 204,450).

The Group has 6,000 (30 June 2021: 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 2021: 6,000) exercise price on these conversion options currently exceeds the traded share price of APQ Global. These are not currently dilutive (30 June 2021: dilutive).

11. Dividends

No dividends were declared in the period ended 30 June 2022 nor the period ended 30 June 2021.

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 market volatility on the Company's book value, it 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.

12. Property, plant and equipment

	Office equipment \$	Furniture and fixtures \$	Leasehold improvements \$	Total \$
Cost				
At 1 January 2022	104,703	20,251	34,588	159,542
Additions during the period	9,028	-	-	9,028
At 30 June 2022	<u>113,731</u>	<u>20,251</u>	<u>34,588</u>	<u>168,570</u>
Accumulated depreciation				
At 1 January 2022	71,689	19,097	34,588	125,374
Charge for the period	7,789	616	-	8,405
At 30 June 2022	<u>79,478</u>	<u>19,713</u>	<u>34,588</u>	<u>133,779</u>
Net book value				
At 30 June 2022	<u>34,253</u>	<u>538</u>	<u>-</u>	<u>34,791</u>
At 31 December 2021	<u>33,014</u>	<u>1,154</u>	<u>-</u>	<u>34,168</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2022
13. Investments

	Unlisted investments							
	APQ Cayman Limited \$	APQ Corporate Services Limited \$	APQ Knowledge Limited \$	Delphos Holdings Limited \$	BARTR Holdings Limited	Evergreen Impact Limited \$	Listed Investments \$	Total \$
At 1 January 2022	44,555,286	4,632,220	1,437,071	5,901,149	-	-	3,208,326	59,734,052
Additions	-	-	-	1,400,000	-	-	-	850,000
Fair value movement	(15,584,259)	-	-	(67,148)	1	-	(1,027,648)	(16,679,054)
Disposal	-	-	-	-	(1)	-	-	(1)
At 30 June 22	<u>28,971,027</u>	<u>4,632,220</u>	<u>1,437,071</u>	<u>7,234,001</u>	<u>-</u>	<u>-</u>	<u>2,180,678</u>	<u>44,454,997</u>

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”).

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 Partners LLP	England and Wales	22a St. James’s Square, London, SW1Y 4JH	APQ Global Limited	100	10 August 2016	Investment support	Consolidated

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2022
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 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, Suite 2, Block C, Hirzel Court, St Peter Port, Guernsey, GY1 3HT	APQ Global Limited	100	10 January 2019	Investment holding company	FVTPL
APQ Knowledge Limited	Guernsey	PO Box 142, Suite 2, Block C, Hirzel Court, St Peter Port, Guernsey, GY1 3HT	APQ Global Limited	100	1 March 2019	Investment holding company	FVTPL
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
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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2022
13. Investments (continued)

Name	Country of incorporation	Registered Office	Immediate Parent Company	Holding %	Acquisition/ Incorporation Date	Activity	Recognition
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
Parish Corporate Services Limited	Guernsey	PO Box 142, Suite 2, Block C, Hirzel Court, St Peter Port, Guernsey, GY1 3HT.	APQ Corporate Services Limited	100	29 January 2020	Trading investment company	FVTPL
Parish Group Limited	Guernsey	PO Box 142, Suite 2, Block C, Hirzel Court, St Peter Port, Guernsey, GY1 3HT.	APQ Corporate Services Limited	100	29 January 2020	Trading investment company	FVTPL
Parish Nominees Limited	Guernsey	PO Box 142, Suite 2, Block C, Hirzel Court, St Peter Port, Guernsey, GY1 3HT.	APQ Corporate Services Limited	100	29 January 2020	Trading investment company	FVTPL
Parish Trustees Limited	Guernsey	PO Box 142, Suite 2, Block C, Hirzel Court, St Peter Port, Guernsey, GY1 3HT.	APQ Corporate Services Limited	100	29 January 2020	Trading investment company	FVTPL
Delphos Holdings Limited ¹	Guernsey	PO Box 142, Suite 2, Block C, Hirzel Court, St Peter Port, Guernsey, GY1 3HT.	APQ Global Limited	100	13 August 2021	Investment holding company	FVTPL
Delphos International, Ltd	United States	2121 K St, N 2121 K St, NW, Suite 1020, Washington, DC 20037	Delphos Holdings Limited	100	3 March 2020	Trading investment company	FVTPL
Delphos FMA – Frontier Markets Advisors Inc	Canada	202-230 ch. du Golf, Montreal, QC H3E 2A8, Canada	Delphos Holdings Limited	70	20 January 2021	Trading investment company	FVTPL
Delphos Impact Limited ²	Guernsey	PO Box 142, Suite 2, Block C, Hirzel Court, St Peter Port, Guernsey, GY1 3HT.	Delphos Holdings Limited	100	18 August 2021	Trading investment company	FVTPL

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2022
13. Investments (continued)

Name	Country of incorporation	Registered Office	Immediate Parent Company	Holding %	Acquisition/ Incorporation Date	Activity	Recognition
Delphos Partners LLP	England and Wales	22a St. James's Square, London, England, SW1Y 4JH	Delphos Holdings Limited	97	6 October 2021	Trading investment company	FVTPL
Delphos Services Limited	Guernsey	PO Box 142, Suite 2, Block C, Hirzel Court, St Peter Port, Guernsey, GY1 3HT.	Delphos Holdings Limited	100	27 September 2021	Trading services company	FVTPL
Evergreen Impact Limited	Guernsey	PO Box 142, Suite 2, Block C, Hirzel Court, St Peter Port, Guernsey, GY1 3HT.	APQ Global Limited	50	10 August 2021	Trading management consultancy	FVTPL

¹ The Company made capital contributions to Delphos Holdings Limited in order to meet working capital requirements of its subsidiaries Delphos International, Ltd (\$550,000 contributed) and Delphos Impact Limited (\$850,000 contributed).

² Delphos Capital Limited changed its name to Delphos Impact during the period.

Other investments

On the 19 November 2018, APQ Global Limited acquired a capital interest represents 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. On 3 February 2022, APQ Global exited its investment in BARTR Holdings Limited for a total consideration of £1.

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) For the six months ended 30 June 2022

13. Investments (continued)

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 2022
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 2022	3,208,326	-	56,525,726	59,734,052
Additions	-	-	1,400,000	1,400,000
Fair value movement	(1,027,648)	-	(3,940,482)	(16,679,054)
Disposals	-	-	(1)	(1)
At 30 June 2022	<u>2,180,678</u>	<u>-</u>	<u>42,274,319</u>	<u>44,454,997</u>

14. Trade and other receivables

	30 June 2022	31 December 2021
	\$	\$
Trade debtors	95,982	128,526
Amounts due from group undertakings	157,490	718,257
Prepayments and accrued income	46,980	50,138
Other debtors	110,837	43,507
	<u>411,289</u>	<u>940,428</u>

15. Trade and other payables

	30 June 2022	31 December 2021
	\$	\$
Trade creditors	96,365	146,060
Amounts due to group undertakings	185,892	315,768
Other creditors	16,918	21,605
Accruals	140,468	273,193
Lease liability	38,051	83,780
	<u>477,694</u>	<u>840,406</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2022
16. 3.5% Convertible Unsecured Loan Stock 2024

	Nominal number of CULS \$	Liability component \$	Equity component \$
As at 1 January 2022	41,446,167	37,025,083	6,919,355
Amortisation of discount on issue and issue expenses	-	1,225,319	-
Interest paid during the period	-	(669,427)	-
Exchange differences	-	(3,865,393)	-
As at 30 June 2022	<u>41,446,167</u>	<u>33,715,582</u>	<u>6,919,355</u>

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.

17. 6% convertible preference shares

The 268,000 convertible preference shares, issued on 29 January 2020, were repurchased on 9 November 2021 at a rate of 2.9851 US dollars per convertible preference share. This resulted in a gain on repurchase of \$647,912 which has been recognised in the profit and loss. The convertible preference shares were cancelled subsequent to repurchase.

18. Share Capital

As at 30 June 2022, the authorised and issued share capital of the Company is 78,506,827 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2022
18. Share Capital (continued)

	Ordinary shares No	£	\$
At 1 January 2022	78,453,671	76,999,179	100,005,450
Shares issued from share awards during the period	12,848	50,3401	68,099
At 30 June 2022	<u>78,466,519</u>	<u>77,049,520</u>	<u>100,073,549</u>

During the period ended 30 June 2022, 12,848 (period ended 30 June 2021: 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

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.

	2022		2021	
	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	146,036	128.11	262,864	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>87,622</u>	<u>128.11</u>	<u>204,450</u>	<u>128.11</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2022
19. Share awards (continued)

	Charge for awards to be settled in Equity \$	Charge for awards settled in Cash \$	Total charge for share based awards \$
Period ended 30 June 2022	6,735	7,304	14,039
Period ended 30 June 2021	27,394	6,736	34,130

The unvested portion of the share awards currently granted is \$5,711 (At 30 June 2021: \$46,161). Of the awards outstanding, the number vested that are available for settlement amount to 29,207 (At 30 June 2021: 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 share warrants were cancelled during November 2021 and an amount of £107,702 transferred to retained earnings from the share warrants reserve.

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:

Right of use asset	Land and buildings \$
Cost	
At 1 January 2022	295,392
At 30 June 2022	<u>295,392</u>
Accumulated depreciation	
At 1 January 2022	215,205
Charge for the period	40,094
At 30 June 2022	<u>255,299</u>
Net book value	
At 30 June 2022	<u>40,093</u>
At 31 December 2021	<u>80,187</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
For the six months ended 30 June 2022
21. Leases (continued)

	30 June 2022	31 December 2021
	\$	\$
Lease liability		
Leased asset on 1 January	83,780	160,376
Interest on lease liability	2,573	10,773
Payments for lease	(55,395)	(88,016)
Exchange differences	7,093	647
	<u>38,051</u>	<u>83,780</u>
At 30 June		
The lease falls due:		
Within 1 year	<u>38,051</u>	<u>83,780</u>
	<u>38,051</u>	<u>83,780</u>

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 2022	31 December 2021
	\$	\$
Share capital	100,073,549	100,005,450
Equity component of 3.5% Convertible Unsecured Loan Stock 2024	6,919,355	6,919,355
Other capital reserves	106,535	167,331
Retained earnings	(89,639,881)	(78,570,633)
Exchange reserve	(4,927,513)	(4,927,513)
	<u>12,532,045</u>	<u>23,593,990</u>
Total shareholders' funds		

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 2022

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 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021	For the six months ended 30 June 2022	For the six months ended 30 June 2021
Bart Turtelboom	Chief Executive Officer	15,470	16,655	11,231	27,304	62,139	66,679	-	-	-	-	-	-	88,840	110,638
Wayne Bulpitt	Non-Executive Chairman	25,117	27,712	-	-	-	-	-	-	-	-	-	-	25,117	27,712
Wesley Davis	Executive Director	22,500	22,500	-	-	22,500	22,500	417	1,313	107	1,597	443	1,692	45,967	49,602
Philip Soulsby	Non-Executive Director	19,328	12,157	-	-	-	-	-	1,042	-	-	-	-	19,328	13,199
Al Wadhah Al Adawi	Executive Director	12,659	-	-	-	-	-	-	-	-	-	-	-	12,659	-
		<u>95,074</u>	<u>79,024</u>	<u>11,231</u>	<u>27,304</u>	<u>84,639</u>	<u>89,179</u>	<u>417</u>	<u>2,355</u>	<u>107</u>	<u>1,597</u>	<u>443</u>	<u>1,692</u>	<u>191,911</u>	<u>201,151</u>

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.

The Company's administrator is Parish Group Limited, a wholly owned subsidiary of APQ Global Limited. APQ Global Limited has incurred \$74,174 (six months ended 30 June 2021: \$43,584) of fees and expenses to Parish Group Limited as administrator of the Company. As at 30 June 2022 the balance owed to Parish Group Limited was \$nil (31 December 2021: \$nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

For the six months ended 30 June 2022

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 \$525,525 (six months ended 30 June 2021: \$250,868) to APQ Global Limited during the period. As at 30 June 2022, APQ Global Limited was owed \$104,671 from APQ Partners LLP (31 December 2021: \$32,891). 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 \$192,355 (six months ended 30 June 2021: \$250,868) and was recharged expenses of \$11,778 (six months ended 30 June 2021: \$8,339) from APQ Cayman Limited. During the six months period to 30 June 2022, APQ Global Limited received dividends from APQ Cayman Limited of \$5,519,712 (six months ended 30 June 2021: \$3,087,885).

During the period, APQ Global Limited provided capital contributions to Delphos Holding Limited totalling \$1,400,000 (six months ended 30 June 2021: \$nil).

As at 30 June 2022, APQ Global Limited owed \$264,410 (31 December 2021: \$ 264,410) to APQ Corporate Services Limited.

During the period, APQ Global Limited received dividends of \$nil (six months ended 30 June 2021: \$96,702) 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 \$7,099 (six months ended 30 June 2021: \$6,202). As at 30 June 2022, APQ Global Limited was owed \$157,490 (31 December 2021: \$168,257) from Palladium Trust Services Limited.

As at 30 June 2022 APQ Global Limited owed \$46,050 (31 December 2021: \$52,382) to New Markets Media & Intelligence Ltd.











APQ Global interim financial statements June 22 Final

Final Audit Report

2022-09-28

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