



MALTA
STOCK EXCHANGE



2021

ANNUAL
REPORT



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2021

ANNUAL REPORT

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MALTA STOCK EXCHANGE

as at 31 December 2021

Board of Directors

Chairman

Deputy Chairman

Directors

Mr Joseph Portelli
Professor Joseph Falzon
Mr Steven Tedesco
Dr Stephanie Fabri
(appointed on 16 November 2021)
Dr Abdalla Kablan
(resigned on 16 August 2021)
Professor Tanya Sammut-Bonnici
(resigned on 13 August 2021)
Ms Marie Cordina

Company Secretary

Audit Committee

Chairman

Members

Mr Steven Tedesco
Mr Joseph Portelli
Dr Stephanie Fabri
(appointed on 29 November 2021)
Ms Charmaine Baldacchino
Professor Tanya Sammut-Bonnici
(resigned on 13 August 2021)
Ms Claire Mula

Secretary

Risk Management Committee

Chairman

Members

Professor Joseph Falzon
Mr Joseph Portelli
Mr Simon Zammit
Mr Alfred Sammut
Ms Charmaine Baldacchino
Ms Marie Cordina
Dr Abdalla Kablan
(resigned on 16 August 2021)
Ms Claire Mula

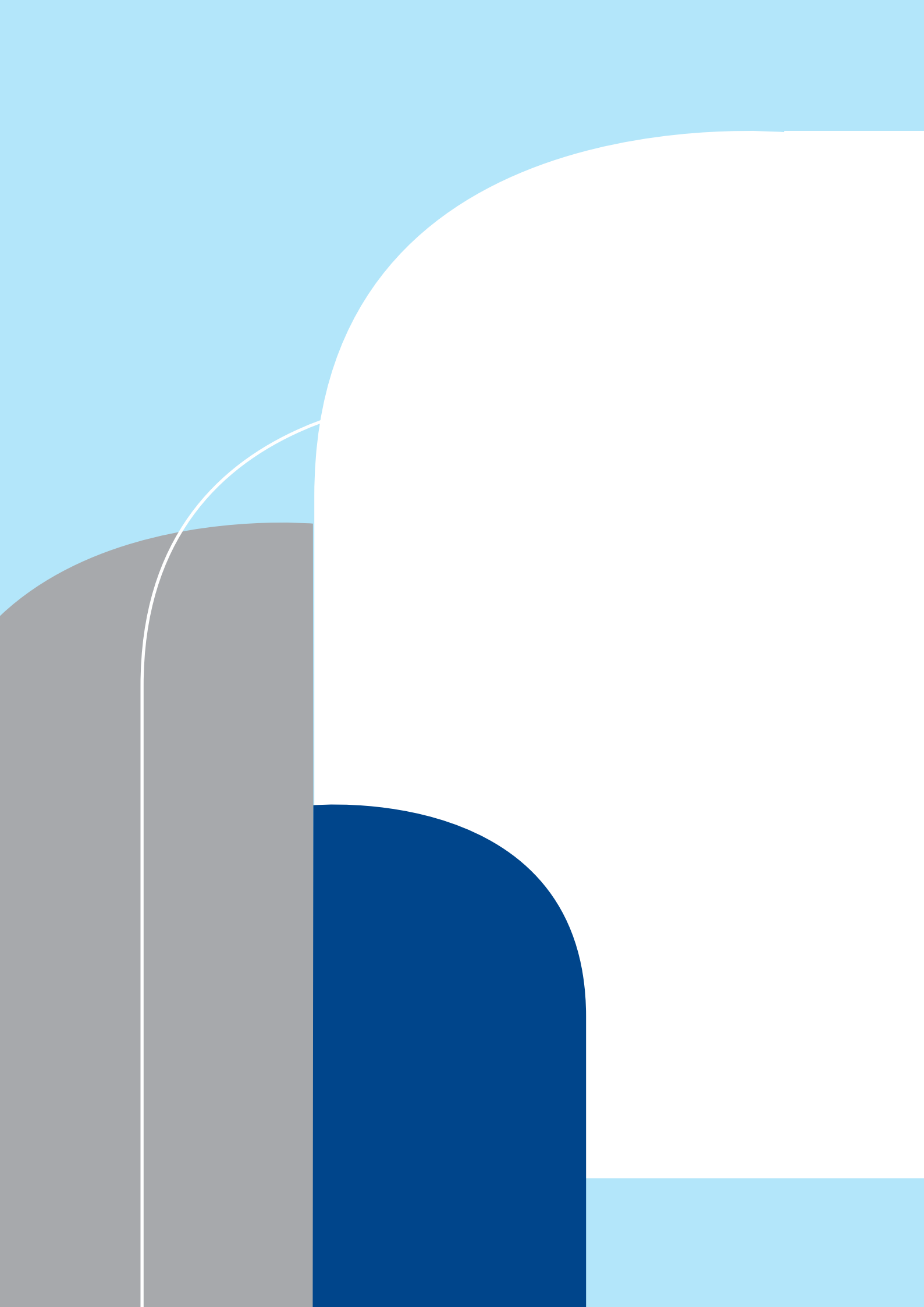
Secretary

Remuneration Committee

Chairman

Members

Mr Steven Tedesco
Mr Joseph Portelli
Dr Stephanie Fabri
(appointed on 29 November 2021)
Professor Tanya Sammut-Bonnici
(resigned on 13 August 2021)



LETTER OF TRANSMITTAL

as at 31 December 2021

The Chairman
Malta Stock Exchange plc
Garrison Chapel
Castille Place
Valletta VLT 1063

25 April 2022

The Chairman
Malta Financial Services Authority
Triq I-Imdina
Zone 1
Central Business District
Birkirkara CBD 1010

Dear Sir

In accordance with the Financial Market Rules Stipulating Financial Requirements and Financial Reporting Requirements applicable to Regulated Markets and Central Securities Depositories, I have the honour to transmit the Audited Financial Statements and a report on the activities of the Malta Stock Exchange for the year ended 31 December 2021.

Yours faithfully



Joseph Portelli
Chairman



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The background features a series of overlapping, semi-circular and rectangular shapes in various shades of blue (light blue, medium blue, and dark blue) and white. The shapes are arranged in a way that creates a sense of depth and movement, with some shapes appearing to be in front of others. The overall composition is clean and modern.

CHAIRMAN'S MESSAGE



CHAIRMAN'S MESSAGE



Last year can be defined as one that was significantly impacted by the Covid-19 pandemic, which necessitated an intense assessment of the Malta Stock Exchange's (MSE) operations, activities and plans in order to minimise the effect of these challenging circumstances. Indeed, while the MSE continued to maintain its core operations and place its focus on business development and brand building, there can be no doubt that this was carried out under the shadow of a difficult economic environment.

I am very pleased to report that the Group registered another year of record revenue, amounting to €7,557,730, which compares very favourably with the previous year's figure of €7,131,955, an increase of 5.97%. This result emanates from positive contributions both at Company level and from the Malta Stock Exchange Institute (MSEI).

The Malta Stock Exchange registered an operating profit of €4,055,057, a significant increase of 12.59% when compared to 2020. This was the result of an increase of revenue (€7,409,291 versus €7,008,779), combined with a minor drop in administrative expenses of 1.71% (€3,120,095 versus €3,174,299), which directly resulted in yet another year of record operating profits. We are very happy with this sustained level of performance, which is the result of strategic vision combined with an efficient management of operations.

I am especially very proud of the fact that, over the past years, we have managed our expenses so well that our operating costs today are lower than they were in 2014. This, in spite of having

implemented several new business lines and having completed countless refurbishment and modernisation projects over the years. Indeed, the MSE has managed to cut its operating expenses year-on-year in five of the last six years. We reduced our operating costs through stringent rationalisation of expenses, increased efficiency (doing more with less) and continued cost control measures that have proved to be very effective.

The 2021 after tax net profit increased by 14% to €2,707,233 (€2,374,845 in 2020). The balance sheet position remains very healthy, with a net asset value of over €10 million (€11 million in 2020); this after the payment of a combined ordinary and special dividend of €3,700,000. We believe that the Exchange is very adequately capitalised, and we remain optimistic on the economic and business outlook for the coming years.

The MSE's major revenue streams remained buoyant in 2021, registering an increase in the two main sources of revenue: listing and register fees. Maintaining a lower cost base, combined with a constant search for new revenue streams, is critical for the Exchange's viability in the medium to long term. Regrettably, trading activity on the secondary markets continued to disappoint. We must continue to endeavour to increase liquidity and trading activity as best as we can. 2021 saw four new equity issues and eight new corporate bonds coming to the Regulated Main Market, bringing the total companies quoted on the Malta Stock Exchange to just short of 100 organisations.

We are pleased to report that, during the year, the Exchange's management and staff responded well to the new market and operating conditions, and continued to work remotely in a very efficient manner. In fact, our productivity remained at very satisfactory levels and the MSEI, which had switched to providing its courses online, also operated very effectively.

Our strategy to further develop Malta's capital market has been in full swing with the introduction of Real Estate Investment Trusts (REITs), Green Bonds and the listing of our first ETF. These exciting new products will continue to offer the market a diversified and useful range of options that should be attractive to both issuers and investors.

In November 2021, we published the third edition of the MSE Business Review magazine, which has fast established itself as a leading finance-oriented publication. The quality and content of the magazine reflects the level of professionalism and creativity that we would like to be synonymous with the Exchange.

The importance we give to human resources at the Exchange cannot be understated, and I believe we are one of the first companies in Malta to embrace a hybrid work environment, allowing our staff to permanently work from home two days a week. We also encourage our staff to undergo continual training and to attend MSEI courses in the fields of compliance, risk management and cyber security, among others.

The MSEI ran its fourth year of operations and continued to focus on offering cost-effective short courses on a myriad of subjects to the public, as well as courses aimed at practitioners in the financial services sector. In 2021, it offered 72 courses and attracted over 1,300 participants, with feedback showing that most attendees prefer the online environment.

Additionally, since online courses are seen to be more convenient, this created an opportunity to attract attendees from outside Malta, with participants from many countries in Europe, as well as places as far off as the Middle East, Malaysia and Singapore. In December, the MSEI Director of Studies joined a Malta Enterprise trade visit to the Dubai Expo with a view to attract more international business to the Institute.

MSEI also obtained funding for another project from the EUPA national agency, and at the end of the year successfully concluded one of the first projects undertaken. The Institute is now leading and co-ordinating one project and is a partner in another. Every effort is being made to ensure that these projects are well managed and run within budget and to the standards expected by EUPA.

In 2021, due to the Covid-19 situation, we did not organise the annual investor education conference, nor any other events at the Exchange, and, since travel was rather restricted, we were unable to promote the MSE brand internationally through activities normally organised and co-ordinated by the Exchange. When restrictions are lifted, we look forward to resuming our endeavours to promote the MSE brand overseas.

However, we did manage to squeeze in the MSE Annual Awards evening, which we organised in November, right before the Omicron Covid-19 variant hit Malta in December. A record 140 local executives and financial practitioners attended the dinner at the Phoenicia Hotel in Floriana and it was, by all accounts, a marvellous evening.

With record revenue and lower operating costs, 2021 results were quite satisfactory, notwithstanding the economic fallout from Covid-19. Credit for such results must go to the entire MSE family, who maintained a resilient spirit in spite of adverse circumstances and who worked together to form a fabulous team. Credit must also go to our executives, particularly our Chief Executive Officer, Mr Simon Zammit, our Chief Human Resources and Corporate Services Officer, Mr Alfred Sammut,

and our Chief Financial Officer, Ms Charmaine Baldacchino. I would also like to recognise the contribution, support and encouragement from my fellow Board members, Prof. Joseph Falzon and Mr Steven Tedesco, and take the opportunity to welcome our newest board member, Dr Stephanie Fabri, while thanking outgoing directors Prof. Tanya Sammut-Bonnici and Dr Abdalla Kablan, for their excellent contribution during the past six years. I would especially like to thank the Hon. Minister for Finance and Employment, Mr Clyde Caruana, for his constant support and wise counsel.



Joseph Portelli
Chairman



CHIEF
EXECUTIVE
OFFICER'S

REPORT



CHIEF EXECUTIVE OFFICER'S REPORT



For yet another year, the Malta Stock Exchange has reported positive financial results, performing above expectations, notwithstanding the continued effects of the pandemic. Throughout the year we continued to provide the local capital markets with all the support needed in these trying times. As the year progressed, there was a gradual return to work from the office, although all the infrastructure set in place to enable remote working continued to be used on those days of the week when staff needed to work from home.

In terms of overall revenue, there was an increase of just over €400 thousand, which represents a 5.7% increase over last year, bringing the total revenue up to over €7.4 million. At the same time, operating and administrative expenses remained relatively stable, with a saving of just over €50 thousand compared to 2020, at €3.2 million.

Since we managed to contain costs successfully, the cost of sales decreased thanks to continuing cost containment and the deferment of certain costs due to the Covid-19 pandemic. Many events at the Exchange had to be postponed, although as the year progressed and restrictions were eased, we were pleased to start hosting and organising events, like the traditional bell ringing and the Annual Awards Dinner, once again.

The reported profit before tax for the year ended 31 December 2021 was €4.17 million. This represents an increase of just over €0.5 million or 13.6% compared to the previous year. Secondary market sentiment remained negative, having experienced the continued effect as was seen in 2020 on prices and volumes. Market turnover in 2021 fell by €31.5 million to €296 million, a decrease of 9.6% compared to 2020. The MSE Equity Total Return Index was also down by 3.2%, closing at 8,199.397.

Yet market capitalisation increased by €857 million (6.1%) to €14.8 billion. Indeed, among the highlights of 2021 was the large number of new listings coming to the primary market, which included no fewer than four equity listings with a combined initial market capitalisation of €227.4 million. Eight corporate bonds were issued on the Regulated Main Market, raising €215 million of new capital, 37.5% more than in 2020, and the first Exchange Traded Fund (valued at €35.9 million) was admitted to trading.

There was also an increase in Malta Government Stocks, to 21, four more than in 2020, with a value of €1.5 billion (€0.2 billion more than in 2020). Redemptions were on the same level as the previous year, as were new Treasury Bill issues. No new financial instruments were added to the Prospects MTF market, as companies reassessed their business plans within the prevailing market sentiment.

It was, however, very encouraging for the Prospects MTF market, which has welcomed many SMEs over the past few years, to see the first company exiting from the Prospects MTF list to issue new capital and become a Regulated Main Market listed company.

One of the success stories of the Exchange is certainly the Malta Stock Exchange Institute, which in its first four years of operations has firmly established itself as a leading provider of short courses aimed at the financial services sector, both in Malta and internationally, as well as for members of the public with an interest in increasing their knowledge on the capital markets.

The diversified portfolio of courses offered by the Institute attracted an attendance of over 1,300 in 2021 and some of the more well attended courses were also repeated during the year due to their popularity. All courses were delivered remotely in 2021, which has been well accepted by both lecturers and participants.

To ensure trading on the MSE continues at the same high levels, the contract with Deutsche Börse for the use of its T7 trading technology was renewed for a further five years. This enables the Exchange to operate its cash market with highly efficient technology.

After a one-year absence, the MSE Annual Awards Dinner was held in November, with five awards presented covering both 2020 and 2021. The awards for 2020 went to Mr Louis A. Farrugia,

Farsons Group Chairman, for Lifetime Achievement and Malta International Airport plc for Company of the Year. The award for 2021 went to Mr Angelo Xuereb, AX Group Founder and Chairman, for Lifetime Achievement. Staff at the Exchange were also recognised for their contribution with awards for 2020 and 2021.

All in all, the 2021 financial year was overwhelmingly positive, notwithstanding the depressed secondary market. With so many new listings on the primary market, it was one of our best years. Going forward, as we emerge from the pandemic, the outlook is also largely positive.

These results are a testament to the discipline, work ethic and extraordinary contribution of all at the Exchange. I would sincerely like to thank the Chairman and the Board of Directors for their continued guidance and support, my fellow members of the management team and all my colleagues for their teamwork and commitment to the Exchange throughout the year.

A handwritten signature in black ink, appearing to read 'Simon Zammit', with a stylized flourish at the end.

Simon Zammit

Chief Executive Officer

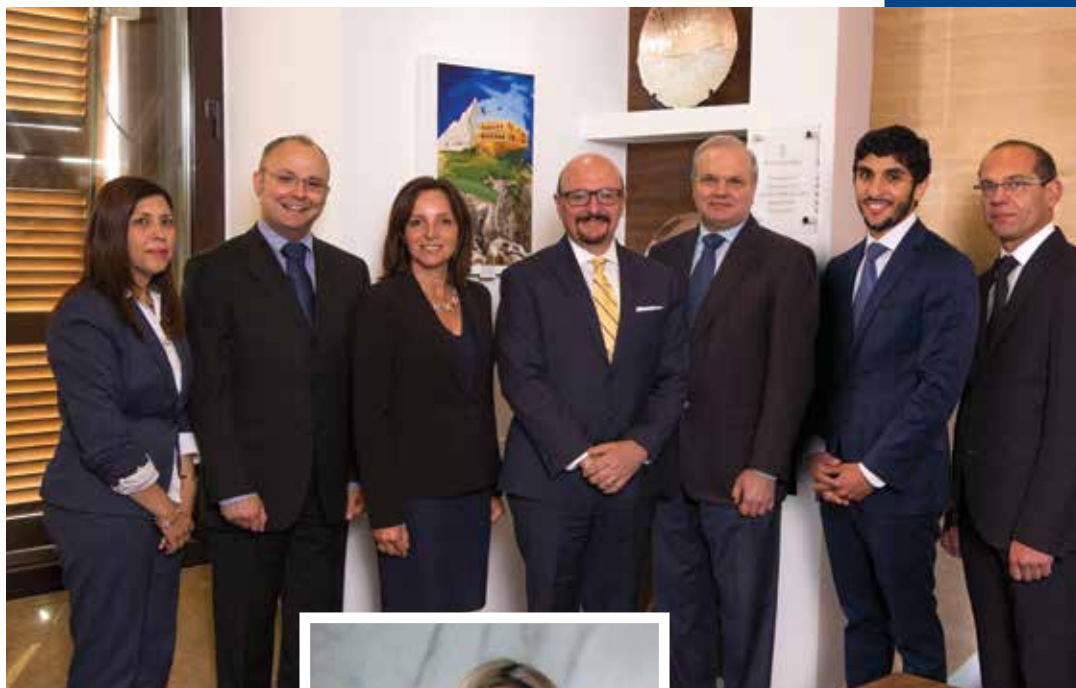


ADMINISTRATION

REPORT



ADMINISTRATION REPORT



Governance

The Board

The Board of the Malta Stock Exchange plc (MSE), composed of

Mr Joseph Portelli, Chairman; Professor Joseph Falzon, Deputy Chairman; Dr Abdalla Kablan, Director; Professor Tanya Sammut-Bonnici, Director; and

Mr Steven Tedesco, Director; was reappointed for a period of three years with effect from 22 April 2019. Dr Kablan and Professor Sammut-Bonnici resigned during the third quarter of 2021 and Dr Stephanie Fabri was appointed as Director during the fourth quarter of last year.

Mr Portelli was reappointed Chairman and Professor Falzon, Dr Kablan, Professor Sammut-Bonnici and Mr Tedesco were also reappointed Directors of MSE (Holdings) Ltd for a further period of three years with effect from 22 April 2019. In May 2021, Professor Sammut-Bonnici resigned from her post as Director and Dr Kablan resigned in August 2021.

In 2019, the Board of the Malta Stock Exchange Institute Limited was reappointed for a period of three years up to 21 April 2022. The Board is composed of: Mr Joseph Portelli,



Dr Stephanie Fabri was appointed as Director of the MSE Board during the fourth quarter of the year.

Chairman; Professor Joseph Falzon, Director; and Mr Simon Zammit, Director.

On 21 April 2021, Mr Joseph Portelli was reappointed Chairman and Professor Joseph Falzon, Director of MSX plc.

General Meetings

On 29 April 2021, the Malta Stock Exchange convened its Annual General Meeting during which the shareholders considered the minutes of the Annual General Meeting held on 29 April 2020, the minutes of the Extraordinary General Meetings held on 30 June 2020 and 22 December 2020, the appointment of the directors, the appointment of the auditors, the Directors' Report, the Auditors' Report and the Audited Financial Statements for the year ended 31 December 2020.

On 30 June 2021, an Extraordinary General Meeting was held during which a special gross dividend of €3,000,000 was approved by the shareholders.

During the Extraordinary General Meeting held on 22 December 2021, the shareholders approved the appointment of Dr Stephanie Fabri as Director and a final net dividend of €1,750,000.

Board Meetings

Twelve meetings of the Board of Directors were convened during 2021.

During the year, which was once again characterised by the Covid-19 pandemic, the Board continued to monitor closely the evolving pandemic scenario and ensured that the Exchange continued to offer uninterrupted services at the same high level to its stakeholders. Furthermore, in view of the ongoing pandemic, the Board resolved to continue offering the extended credit period to companies listed on the MSE's Regulated Main Market, as well as those admitted to Prospects MTF.

Throughout the year, the MSE's strategy, its financial performance and the diversification of its revenue streams, together with the oversight of operations, risk management, governance, compliance and regulatory issues, featured regularly on the Board's Agenda.

The Board approved a number of promotions and also continued to support family friendly measures. The Work from Home Policy was revised to enable employees to work from home permanently on Mondays and Fridays, and therefore allowing employees to enjoy a better work/home balance.

The Board also actively considered a number of amendments to the MSE's bye-laws and to the Prospects MTF Rules.

The Board considered and approved the finalised bye-laws, which facilitate the listing and trading on the MSE's Green Market and those aimed at strengthening the MSE's AML processes. The Board also approved an amendment related to settlement finality and further amendments that reflected the recent amendments to the Financial Markets Act. The Board approved the removal of Chapter 8 (OTC Reporting System) and other outdated references to legislation and regulation.

The main changes to the Prospects MTF Rules approved by the Board were related to the ongoing obligations of the Corporate Advisors and the introduction of two new roles, namely the Admissions Advisor and the Compliance Advisor.

As in previous years, the Board continued to strengthen the MSE's internal processes through the updating of its internal policies. The Board approved a new Information Security Framework in 2021 consisting of the ISO 27001 Policies relating to Information Security.

The Board approved a final net dividend of €1,750,000, an increase of €250,000 over the previous year, and also approved a special gross dividend of €3,000,000.

Board Committees

The Audit Committee, Risk Management Committee and Remuneration Committee are constituted in line with Chapter 2 of the bye-laws. The Audit Committee and the Risk Management Committee met on a regular basis and provided

substantive support to the Board. The Remuneration Committee was convened once in 2021.

Audit Committee

The Audit Committee, chaired by Mr Steven Tedesco, met quarterly. An additional seven *ad hoc* committee meetings were held throughout the year.

The main areas of focus of the Audit Committee remained the review and analysis of the quarterly Management Accounts, the monitoring of trade debtors and the monitoring of the MSE's Investment Portfolio. As in previous years, the committee met the Internal Auditor on a regular basis and maintained oversight of the implementation of recommendations given in the Internal Audit Reports.

The proposed revisions to the MSE's fee structure, together with the proposed amendments to the Credit Control Policy, were considered by the Audit Committee throughout the year and the committee's pertinent recommendations were given to the Board.

Risk Management Committee

In 2021, the Risk Management Committee, chaired by Professor Joseph Falzon, was convened quarterly.

During the meetings, the committee was briefed by the Risk Manager about the updates to the MSE's Risk Register and the Risk Management and Internal Capital Adequacy Assessment Process (RMICAAP). The committee focused on the MSE's higher risk areas and monitored the implementation of mitigating actions in relation to these risks.

Furthermore, the committee actively managed the MSE's Investment Portfolio and considered proposals to update the MSE's Portfolio Investment Management Policy. The committee was also regularly briefed on health and safety matters, especially in the light of the Covid-19 pandemic.

Remuneration Committee

The Remuneration Committee met once during the year to consider the variable element of the remuneration of senior management.

Business Development

Launch of the MSE Green Market

On 18 February 2021, following approval by the MFSA, the Malta Stock Exchange launched the MSE Green Market. This market is

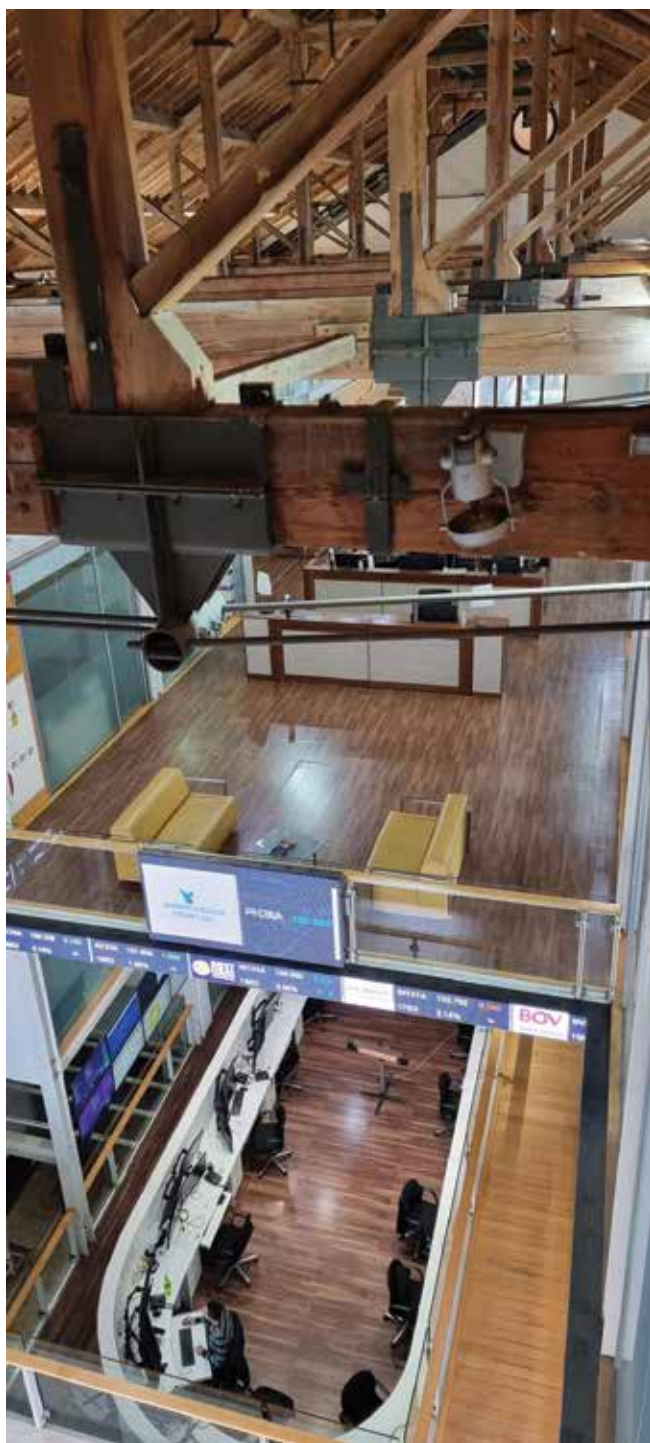


aimed at helping to foster a more sustainable investment culture that will also benefit the environment.

The MSE has always strived to promote sustainable investments and, with the launch of this new market segment, the Exchange will continue to contribute to Malta's economic development while endorsing sustainable investments in line with national strategy.

Maintenance and Refurbishment

No major refurbishment projects were undertaken in 2021. Essential preventive maintenance and repairs were accelerated in preparation for the staff's return to the Exchange's premises and increasing general public presence. These works included



the routine service checks of lifts, water pumps and the chiller system, the generator room and electrical equipment, the intruder alarm system, fire alarm and the CCTV system. In order to comply with statutory health and safety requirements in relation to the prevention of legionella disease, regular water testing and related work was carried out.

In preparation for the series of MSE Executive Spotlight webinars launched in December, works started in Level -2 of the Exchange where these webinars are being held. The MSE has installed lighting, video streaming and audio equipment for this purpose.

Human Resources

Staff Complement

Several staff promotions were announced in 2021 and a number of internal redeployments were affected. An Assistant General Manager has been promoted to Chief Technical Officer.

Furthermore, four Senior Managers were promoted, one in the Data Operations Office, one in the Information Technology Office, one in the Compliance & Prospects MTF Business Conduct Office and another in the Human Resources & Corporate Services Office.

There were other promotions in various offices. Four employees were promoted to Manager II, three to Manager I and another three to Supervisors. To strengthen the Finance Office, the Exchange recruited an Operations Officer towards the end of the year. One employee in the Supervisory grade resigned from the Exchange.

Towards the end of the year, the Exchange's staff complement stood at 53, split on a gender basis between 37 females and 16 males. As in previous years, this largely reflects the gender split throughout most of the grades in the organisation. The complement included 28 staff in the managerial grades, 18 in the supervisory grades and one in the officer grade. The staff

Bye-Laws

In February 2021, amendments were made to the bye-laws to reflect the introduction of the MSE Green Market. Chapter 1 (Interpretation) of the bye-laws was updated, and two new bye-laws were included in Chapter 5 (Admission Requirements).

An amendment related to settlement finality was made to Chapter 7 (Clearing and Settlement) of the bye-laws.

Furthermore, in October 2021, Chapter 1 (Interpretation), Chapter 2 (Administration), Chapter 3 (Membership), Chapter 4 (Trading Procedures and Regulations) together with Appendix 3.6 (Members' Code of Conduct) of the bye-laws were updated in relation to AML requirements. The bye-laws were also amended to reflect the update to the Financial Markets Act.

Other changes, including the removal of Chapter 8 (OTC Reporting System), were also made to reflect outdated references to legislation and regulation, as well as to ensure better clarity in the bye-laws.

Fees and Charges

During the year, Exchange Notice 1 – Fees and Charges was amended to introduce fees related to the MSE's new products – Real Estate

Investment Trusts (REITs), Green Bonds and Exchange Traded Funds (ETFs).

Other changes included the introduction of fees related to the new Prospects MTF Advisor roles, a *pro-rata* refund of the Prospects MTF Annual Admission Fees when an issuer switches to listing on the Regulated Main Market, as well as amendments



Casual Day was held on 1 September 2021 to coincide with the return of employees to the offices following long periods of working from home imposed by restrictions connected to the Covid-19 pandemic. To mark Pink October, a Maltese Table and Casual Day was organised during lunch break and funds were collected for the Action for Breast Cancer Foundation. In addition, a Pizza and Casual Day was also organised to raise funds for the Sigma Foundation.

For the young children of employees, the Social Events Committee once again organised the Kids' Christmas Party. All the necessary health and safety measures were taken to ensure



this event was held in accordance with Covid-19 restrictions. The event was, nonetheless, a success and was enjoyed by all attendees.

To end the year in a positive environment, the Social Events Committee organised a five-day tour to Switzerland during the Christmas week for employees and their families.



to the turnover fees on trades reported through the Off-Exchange Reporting System.

Risk Management and Internal Capital Adequacy Assessment Process (RMICAAP)

In January 2021, the Board, in terms of the Financial Market Rules Stipulating Financial Resources and Financial Reporting Requirements applicable to Regulated Markets and Central Securities Depositories, confirmed to the MFSA that the Exchange had a Risk Management and Internal Capital Adequacy Assessment Process (RMICAAP) in place that was comprehensive and proportionate to the nature, scale and complexity of its activities and functions.

Audit

During the Annual General Meeting, held on 29 April 2021, the shareholders unanimously approved the Audited Financial Statements for the year ended 31 December 2020.

The Audited Financial Statements and the Annual Report on the Exchange's activities during 2020 were submitted to the Competent Authority and published in accordance with the Financial Market Rules Stipulating Financial Resources and Financial Reporting Requirements applicable to Regulated Markets and Central Securities Depositories.

Corporate Social Responsibility

The Exchange continued to support various cultural, educational and philanthropic causes. The Exchange also extended its support to the Malta Community Chest Fund, the Sigma Foundation, the Optimist Club of Malta, the Malta Association of Small Shareholders and the University of Malta, among others.

Furthermore, as already reported, the Social Events Committee organised a number of events, with the proceeds being donated to charity.

Support to the Malta Association of Small Shareholders

The Malta Stock Exchange continued to support the Malta Association of Small Shareholders (MASS) by providing the use of the Exchange's premises in Valletta, as well as through

financial support in line with the existing Memorandum of Understanding (MoU).

International Affiliations

The Malta Stock Exchange is an active member in the following international organisations:

ANNA Association of National Numbering Agencies;
ECSDA European Central Securities Depositories Association;
FESE Federation of European Securities Exchanges; and
WFE World Federation of Exchanges.

Events

Annual Awards Dinner

On 26 November 2021, after a one-year absence, the Malta Stock Exchange hosted the Annual Awards Dinner at the Phoenicia

Hotel in Floriana, under the patronage of the Hon. Mr Clyde Caruana, Minister for Finance and Employment. A total of five awards were presented on the night, which covered awards for both the years 2020 and 2021.

The Lifetime Achievement Award 2020 was awarded to Farsons Group Chairman, Mr Louis A Farrugia. The Company of the Year Award 2020 was presented to Mr Alan Borg, Chief Executive Officer, on behalf of Malta International Airport plc. The Employee of the Year Award 2020 was awarded jointly to the Malta Stock Exchange Chief Executive





Officer, Mr Simon Zammit, and the Chief Human Resources and Corporate Services Officer, Mr Alfred Sammut.

The Lifetime Achievement Award 2021 was given to AX Group founder and Chairman, Mr Angelo Xuereb. Ms Therese Amato, Head of Human Resources and Corporate Services Office, was awarded the Employee of the Year Award 2021. The guest speaker at this event was MFSA CEO Mr Joseph Gavin.

Conferences and Seminars

The MSE was represented in a number of conferences and webinars held throughout the year.

Exchange Participation at Industry Events

Financing the Transition Seminar

In September, the MSE's Head of Business Development and Marketing, Ms Stephanie Galea, participated in a seminar with the title 'Financing the Transition'.

The seminar, which was part of the #ClimateOn Campaign, was organised jointly by the Ministry for the Environment, Climate Change and Planning and the Ministry for Finance and Employment. The aim of the seminar was to increase awareness about sustainable finance among different public entities.

Ms Galea spoke about the MSE's efforts to promote sustainable investments that meet Environmental, Social and Governance (ESG) standards through the listing of Green Bonds on the Exchange.

Grant Thornton Malta Online Forum

'Shaping Malta's Future: Governance and Sustainability' was the title of the annual online forum organised by Grant Thornton in October.



The MSE's Chief Executive Officer, Mr Simon Zammit, participated in this forum and formed part of the panel that discussed financing in the post Covid-19 scenario and the impact of the pandemic on capital markets. Mr Zammit highlighted that, although during the pandemic there was a decline in new issues in the market, the Exchange was already experiencing recovery as more companies were approaching the market.

National Climate Change Conference

The Malta Stock Exchange was also invited to participate on a panel discussion during the National Climate Change Conference, held at the Intercontinental Hotel on 26 October. 'Financing A Green Transition' was the title of the breakout

session during which Ms Stephanie Galea spoke about the newly introduced MSE Green Market and how the issuance of Green Bonds can help to mitigate the climate crisis.

Webinars organised by the MSE

Revised Prospects MTF Rules

In October, the Exchange launched a revised version of the Prospects MTF rules. The rules were amended to, among other things, introduce the two new advisory roles of the Admissions Advisor and Compliance Advisor. The introduction of these two roles is intended to further facilitate the access of SMEs to the Capital Market. A webinar was held on 13 October during which the changes to the Prospects Rules were explained.

MSE Executive Spotlight

In December, the Exchange launched a series of informative webinars called MSE Executive Spotlight. In these webinars the Malta Stock Exchange Chairman, Mr Joseph Portelli, and the Chief Executive Officer, Mr Simon Zammit, will be meeting and interviewing executives from various entities quoted on the MSE as well as key stakeholders in the Maltese financial services industry.

The first webinar in this series was held on 7 December, with the guest speaker being the newly appointed Chief Executive Officer of the Malta Financial Services Authority, Mr Joseph Gavin. The discussion with Mr Gavin centred around the regulator's role in the financial services sector and the challenges faced by the regulator in streamlining operations and reducing bureaucracy.

Environmental, Social and Governance (ESG) Events



MSE joins Optimist Club of Malta

In February, as part of its Corporate Social Responsibility programme, the Malta Stock Exchange became one of the founding members of the Optimist Club of Malta (OCM). The OCM is a branch of Optimist International, which is a worldwide organisation with over 2,500 clubs.

These clubs are engaged in projects that are aimed at improving the lives of young people in the community.

International Women's Day

The annual World Federation of Exchanges (WFE) co-ordinated event, Ring the Bell for Gender Equality 2021, was held on 8 March – International Women's Day. In this event, the Malta



Stock Exchange partnered with the Women Directors in Malta. Due to the pandemic restrictions, the event was held both virtually as well as physically at the Exchange in a limited manner. The guest speaker was Dr Rose Marie Azzopardi, President of Women Directors in Malta and Senior Lecturer of the Faculty of Economics, Management and Accountancy at the University of Malta. In a pre-recorded video message, she highlighted the importance of the advancement of women in society and the promotion of gender equality, particularly at the workplace.

Following Dr Azzopardi's message, Ms Stephanie Galea, Head of Business Development and Marketing, and Ms Charmaine Baldacchino, Chief Financial Officer, rang the bell to commemorate the event.

Ring the Bell for Financial Literacy

As a member of WFE, the Malta Stock Exchange joined a number of other exchanges around the world and held a 'Ring the Bell for Financial Literacy' event on 6 October.



The aim of this event, which was jointly organised with the Malta Financial Services Authority, was to promote financial literacy, investor protection and financial inclusion.

During the event, Mr Joseph Portelli, Chairman of the Malta Stock Exchange, and Ms Emily Benson, Head of Conduct Supervision at the MFSA, addressed the audience, highlighting the importance of promoting financial literacy. They explained what each respective organisation was doing to increase financial literacy within the community. Subsequently, Mr Cliff Pace, Director of Studies at the Malta Stock Exchange Institute (MSEI), and Ms Benson jointly rang the bell to mark the occasion.

Pink October

In support of the breast cancer awareness month, known also as Pink October, MSE staff held a fund-raising initiative with all proceeds going towards the Action For Breast Cancer Foundation Malta.

The event, organised by the MSE's Social Events Committee, brought together staff during lunchtime to enjoy traditional Maltese food.

Donation to Sigma Foundation - Darrin Zammit Lupi

As part of CSR activities, MSE employees contributed towards the building of a school in Bonga in southwest Ethiopia. The project is being spearheaded by the award-winning photographer, Mr Darrin Zammit Lupi, who embarked on this noble project in memory of his late daughter Rebecca, who passed away at the age of 15 following a lengthy battle with cancer.

The collection for this initiative was held during a 'Dress-down and Pizza Day', organised by the Exchange's Social Events Committee in October. The MSE's Chief Executive Officer,



Mr Simon Zammit, and the Chief Human Resources and Corporate Services Officer, Mr Alfred Sammut, presented the cheque to Mr Zammit Lupi.

Financial Literacy Survey

As part of ongoing initiatives to promote financial literacy, the MSE launched the annual MSE Financial Literacy Survey to gauge the Maltese investors' financial knowledge and to track local financial literacy trends from year to year. The survey

consists of 12 questions and was made available to all e-Portfolio account holders, visitors to the MSE website and the general public visiting the Exchange.

The results from this survey will help the Exchange to design a programme of activities that will help enhance financial literacy among investors and the public in general.

Visitors to the Exchange

On 12 January 2021, the Hon. Mr Clyde Caruana, Minister for Finance and Employment, paid a courtesy visit to the Exchange. The Minister was welcomed to the Exchange by the Chairman,



Mr Joseph Portelli, the Deputy Chairman, Prof Joseph Falzon, and Mr Steven Tedesco, Director.

During the visit, the Minister also met the MSE's Executive Management and was taken around the Exchange premises to meet the staff.

Publications

The Malta Stock Exchange Business Review magazine

The third edition of the Malta Stock Exchange Business Review magazine was published in November 2021. This edition featured the new MFSA CEO on its cover, and included many key interviews and articles, including interviews with the Minister for Finance and Employment, the MFSA CEO, the Governor of the Central Bank, many leaders of entities listed on the Regulated Main Market and Prospects MTF, as well as key personalities from the business, legal, technological, finance and risk lines of business.

The magazine has established itself as a key publication that focuses on financial services and the Exchange is committed to publishing the fourth edition in 2022.







EXCHANGE
OPERATIONS

AND OTHER
ACTIVITIES



EXCHANGE OPERATIONS AND OTHER ACTIVITIES

Regulated Main Market

Total turnover across all markets for 2021 stood at €296 million, a decrease of 9.6% (€31.5 million) when compared to 2020. The equity segment fell by 45% or €26.1 million less than that in 2020, followed by the MGS segment, which decreased by 11.1% or €18.1 million less than the previous year. The corporate bond segment also registered a decrease of 10.8% or €11.5 million. A total of €24.3 million was traded in Treasury Bills during this year, whereas in 2020 no activity was registered.

The combined market capitalisation comprising the Regulated Main Market, Prospects MTF and the Institutional Financial Securities Market stood at €14.8 billion at the end of the year, registering an increase of 6.1% (€857 million) from the €14 billion as at the end of 2020. The largest percentage gain occurred in the MGS market, which increased by 10.5% (€727.1 million). This was followed by the equity and the corporate bond markets, where the value increased by 2.2% (€92.5 million) and 1.1% (€23.3 million), respectively. The market capitalisation of the Treasury Bill market fell by 6.9%, €44.5 million less than in 2020.

The MSE Equity Total Return Index closed at 8,199.397, down by 3.2% from 8,471.335 at the end of 2020. The Index peaked at 8,456.774 on 5 January and fell to its lowest level at 7,728.372 on 26 March.

There were four equity listings in 2021, which had a combined initial market capitalisation of €227.4 million. LifeStar Insurance plc, VBL plc and Hili Properties plc listed ordinary shares on the main market for the first time and RS2 Software plc listed preference shares. Two already listed companies increased their share capital. Lombard Bank Malta plc through a bonus issue

listed 589,047 shares and MedservRegis plc listed 47,893,229 shares valued at €32.6 million.

A total of eight corporate bonds were issued on the Regulated Main Market during the year with a total value of €242 million, of which €27 million were rolled over from existing bonds and €215 million were new capital. This is 37.5% more than the amount issued in 2020, when a total of €176 million capital was raised among six bonds. In 2021, four corporate bonds were redeemed, which had an aggregate value of €34.8 million, while in the previous year four bonds were redeemed which amounted to €114.3 million.

With regard to the Malta Government Stocks (MGSs), a total of 21 MGSs (17 in 2020) were issued having a value of €1.5 billion (€1.3 billion in 2020). The total nominal value of redeemed MGSs amounted to €462 million, which is at the same level of 2020. A 62+ Malta Government Savings Bond, amounting to €100 million, was issued by the Government of Malta; however, these were not admitted to listing and trading.

In 2021, a total of 101 Treasury Bills (T Bills) were issued with a combined value of €1.9 billion, compared to 100 issues in 2020 totalling €2 billion. An aggregate of 103 T Bills with a total value of €1.9 billion was redeemed during 2021 compared to 81 T Bills with a combined value of €1.65 billion in 2020.

The first Exchange Traded Fund was admitted to trading in June 2021 valued at €35.9 million. No trading activity was registered in this fund.

MSE Equity Total Return Index for 2021



Institutional Financial Securities Market

In 2021, two securities were delisted under IFSM having a nominal value of €192.5 million and one with a value of €5.5 million was redeemed. There were three trades registered in IFSM throughout 2021, which resulted in €1.4 million turnover.

Prospects MTF

No securities were admitted to the Prospects MTF market in 2021, although a few potential issuers did approach the Exchange to reactivate their applications or to commence discussions on their proposed transactions. At year end, there were a number of applications at an advanced stage of their admission process. Other interested applicants kept their application on hold or withdrew their application due to the impact that the Covid-19 pandemic had had on their respective business plans. One corporate bond, having a value of €5 million, was fully redeemed with €4.6 million being surrendered in exchange for new bonds that were admitted to the Regulated Main Market. This brought the total number of securities admitted to Prospects MTF at the end of the year to 22, comprised of 21 corporate bonds and one equity.

Market turnover in 2021 totalled slightly less than €4 million spread over 616 trades. The number of trades was 11.2% lower than in 2020, when 694 trades were transacted with a total turnover of €3.7 million.

One Corporate Advisor voluntarily resigned during the year, and a new Corporate Advisor was approved. At the end of the year, the number of firms authorised by the Exchange to act as Corporate Advisors to prospective or admitted Prospects MTF companies stood at 15.

Prospects MTF rule changes

Further updates to the Prospects MTF Rules came into effect in 2021. These updates were issued in January and October, and were announced to the market through Prospects MTF Notices 01/2021 and 07/2021, respectively.

Updates issued in January were mainly related to the obligations of Corporate Advisors. Other changes were carried out to ensure further clarity in their interpretation.

Rule updates issued in October saw the introduction of two new advisory roles, namely the Admissions Advisor and the Compliance Advisor, which allow for the division of the Corporate Advisors' responsibilities. The role of the Corporate Advisor, as already known by the market, remains unchanged and will be retained. Other changes carried out in October brought the Rules in line with the revised Capital Market Rules.

Central Securities Depository

The number of accounts held at the CSD increased marginally in 2021 and stood at just above 77,000, up from 76,800 in 2020. During 2021, the CSD processed around 480 corporate actions, including 302 interest and dividend payments related to both listed and non-listed securities. Other corporate actions included a number of register merges and conversions, redemptions, bonus share issue processing and share consolidations.

A total of 135 securities were admitted to the CSD in 2021, which is an increase when compared to 2020 when 128 securities were admitted. The security registers admitted to the CSD during 2021 consisted of four equities, eight corporate bonds, one Exchange Traded Fund, 21 Malta Government Stock issues and 101 Treasury Bills, which were all listed on the Regulated Main Market.

Throughout the year, a number of additions and buy-backs were processed in both listed and non-listed securities, resulting in changes in the issued share capital of the respective securities.

The number of transactions effected over the MSE CSD Clearstream Banking AG link during 2021 increased when compared to the previous year. A total of 289 (2020 – 216) transactions were processed in 2021 in both listed and non-listed securities.

E-Portfolio

The number of CSD accounts that were activated on the online e-Portfolio facility was 776 in 2021. This brought the total number of activated accounts to 8,192 by year end. Through the e-Portfolio facility, CSD account holders can view their holdings, movements on their accounts, together with details of payments received from corporate actions.

Through their e-Portfolio, investors may also update their due diligence details as well as instruct CSD directly to affect other changes to their details.

Dematerialisation of Non-Listed Securities

During 2021, 34 applications were received from non-listed issuers seeking CSD dematerialisation. Twenty-eight of these 34 applications related to an increase in the dematerialised issued share capital of already admitted securities, totalling 63,005,399 ordinary shares.

Three of the 34 applications related to the dematerialisation of €1,900,000 of already admitted fund shares, and another three applications were for the dematerialisation of €1,443,000 in already admitted debt instruments.

Six instruments were redeemed during the year, and two were terminated. A reduction in capital was affected in two instruments. *(continued on page 39)*

Regulated Main Market - Comparative Trading Figures

Security	Number of Deals		Volume/No. of Shares		Market Turnover (EURO)	
	2021	2020	2021	2020	2021	2020
Equities						
Bank of Valletta p.l.c. Ord €1.00	982	1,558	5,668,026	7,344,847	5,070,262.87	7,060,382.12
BMIT Technologies p.l.c. Ord €0.10	576	613	7,874,866	7,061,558	3,886,547.24	3,478,974.07
FIMBank p.l.c. Ord US\$0.50	67	138	667,786	2,427,435	174,532.18	896,583.48
GO p.l.c. Ord €0.582343	451	505	885,659	1,257,779	3,053,958.34	4,514,643.14
Grand Harbour Marina p.l.c. Ord €0.12	24	21	37,259	218,435	22,267.69	119,801.00
Harvest Technology p.l.c. Ord €0.50	178	85	878,951	176,886	1,302,283.35	258,891.45
Hili Properties p.l.c. Ord Shares €0.20	-	-	-	-	-	-
HSBC Bank Malta p.l.c. Ord €0.30	516	984	2,515,009	7,085,317	2,093,431.83	6,631,419.43
International Hotel Investments p.l.c. Ord €1.00	160	323	1,011,684	2,427,094	642,425.77	1,510,047.25
LifeStar Holding p.l.c. Ord €0.291172	19	69	35,247	1,559,064	21,957.15	506,972.26
LifeStar Insurance p.l.c. Ord Shares €0.1414779585	4	-	1,450	-	725.00	-
Lombard Bank Malta p.l.c. Ord €0.25	106	134	378,699	542,160	718,696.33	1,090,182.83
Loqus Holdings p.l.c. Ord €0.232937	29	16	165,366	442,318	14,352.38	30,661.81
Main Street Complex p.l.c. Ord €0.10	21	50	169,450	404,772	81,362.10	201,969.76
Malita Investments p.l.c. Ord B €0.50	112	151	1,108,442	1,003,784	968,105.03	876,310.64
Malta International Airport p.l.c. Ord €0.25	700	1,877	687,379	1,985,270	4,188,383.10	10,548,850.87
Malta Properties Company p.l.c. Ord €0.32	265	329	2,646,781	3,751,982	1,395,688.80	1,953,256.34
MaltaPost p.l.c. Ord €0.25	91	126	350,503	618,088	426,768.44	681,204.49
Mapfre Middlesea p.l.c. Ord €0.21	110	162	130,491	280,968	287,994.19	625,684.12
Medserv p.l.c. Ord €0.10	54	145	219,629	1,751,178	143,955.66	1,147,780.49
MIDI p.l.c. Ord €0.20	124	146	1,102,092	1,163,428	416,175.94	462,814.37
PG p.l.c. Ord €0.25	245	421	954,369	2,555,292	2,057,824.20	4,824,281.99
Plaza Centres p.l.c. Ord €0.20	45	74	691,426	508,122	638,287.15	482,714.89
RS2 Software p.l.c. Ord €0.06	373	907	1,833,416	3,802,767	3,238,949.95	8,306,352.79
RS2 Software p.l.c. Pref Shares €0.06	36	-	94,258	-	167,659.56	-
Santumas Shareholdings p.l.c. Ord €0.275	16	9	71,058	6,239	64,508.05	8,734.07
Simonds Farsons Cisk p.l.c. Ord €0.30	221	287	107,970	143,867	892,220.35	1,220,290.25
Tigne Mall p.l.c. Ord €0.50	61	70	266,633	974,289	197,820.99	778,287.52
Trident Estates p.l.c. Ord €1.00	80	94	193,376	262,823	289,640.45	393,413.37
VBL p.l.c. Ord Shares €0.20	9	-	42,100	-	12,395.00	-
Total Equity	5,675	9,294	30,789,375	49,755,762	32,469,179	58,610,505
Corporate Bonds						
5.1% 1923 Investments plc Unsecured € 2024	380	534	3,236,100	3,177,300	3,306,542.85	3,186,194.65
5.1% 6PM Holdings plc Unsecured € 2025	156	233	1,193,600	1,716,300	1,215,547.49	1,722,104.35
3.25% APS Bank plc Unsecured Subordinated € 2025-2030	21	4	1,025,000	225,000	1,054,787.50	229,475.00
3.25% AX Group plc Unsecured € 2026 Series I	223	201	2,189,300	2,109,200	2,213,988.64	2,124,543.76
3.75% AX Group plc Unsecured € 2029 Series II	49	175	354,100	1,281,200	360,212.10	1,324,881.83
6% AX Investments plc € 2024	93	163	409,300	1,145,100	430,452.92	1,207,826.31
3.5% Bank of Valletta plc € Notes 2030 S1 T1	58	121	1,711,500	2,954,200	1,746,513.77	2,965,347.53
3.5% Bank of Valletta plc € Notes 2030 S2 T1	114	132	4,150,300	1,848,800	4,217,676.80	1,850,165.12
3.75% Bank of Valletta plc Unsecured Subordinated € 2026-2031	44	43	1,028,000	894,000	1,055,985.16	907,549.40
4.8% Bank of Valletta plc Subordinated € 2020	-	3	-	15,000	-	14,889.85
4.25% Best Deal Properties Holding plc Secured € 2024	97	146	1,632,800	1,412,400	1,698,324.00	1,438,305.98
3.75% Bortex Group Finance plc Unsecured € 2027	93	160	706,800	1,533,500	720,633.02	1,546,702.61
3.9% Browns Pharma Holdings plc Unsecured Callable € 2027-2031	73	-	881,700	-	918,852.00	-
4% Cablenet Communication Systems plc Unsecured € 2030	125	133	1,734,000	1,224,000	1,795,708.10	1,249,337.40
4% Central Business Centres plc Unsecured € 2027-2033	40	-	233,900	-	234,176.92	-
4.4% Central Business Centres plc Unsecured € 2027 S1/T1	18	53	150,600	320,000	153,336.35	319,957.10
5.25% Central Business Centres plc Unsecured € 2025 S2/T1	13	28	71,400	111,900	73,049.00	114,267.69
5.75% Central Business Centres plc Unsecured € 2021 S1/T1	20	16	102,200	72,400	102,724.95	73,740.90
4.25% Corinthia Finance plc Unsecured € 2026	97	199	805,100	1,216,400	812,191.87	1,219,402.67
4.75% Dino Fino Finance plc Secured € 2033	27	-	260,500	-	265,355.79	-
5% Dizz Finance plc Unsecured € 2026	280	255	1,789,000	1,414,000	1,775,669.50	1,403,493.90
4% Eden Finance plc Unsecured € 2027	118	265	911,200	1,809,900	927,507.88	1,817,191.17
4.5% Endo Finance plc Unsecured € 2029	22	8	1,300,000	750,000	1,287,680.00	750,250.00
4% Exalco Finance plc Secured € 2028	43	42	1,086,800	981,800	1,117,837.49	991,202.23
3.65% GAP Group plc Secured € 2022	118	226	1,727,600	8,313,600	1,750,331.96	8,466,954.03
3.7% GAP Group plc Secured € 2023-2025 Series I	133	3	1,062,400	12,000	1,083,076.50	12,257.00
4.25% GAP Group plc Secured € 2023	58	73	527,100	919,100	539,121.78	942,919.70
4.9% Gasan Finance Company plc € 2019-2021	-	3	-	16,900	-	17,050.00
3.5% GO plc Unsecured € 2031	421	-	4,408,200	-	4,597,239.85	-
4.5% Grand Harbour Marina plc Unsecured € 2027	85	80	635,100	499,000	653,260.70	504,008.01
5% Hal Mann Vella Group plc Secured € 2024	74	135	433,000	749,500	453,763.68	770,977.74
3.8% Hili Finance Company plc Unsecured € 2029	513	575	4,714,700	6,721,400	4,716,160.81	6,642,584.99
3.85% Hili Finance Company plc Unsecured € 2028	463	270	4,939,300	2,801,900	4,947,594.96	2,755,150.45
4.5% Hili Properties plc Unsecured € 2025	237	389	1,071,500	1,988,700	1,095,595.33	1,994,157.31
4.35% Hudson Malta plc Unsecured € 2026	55	70	381,800	483,400	387,053.98	498,499.28
3.65% International Hotel Investments plc Unsecured € 2031	5	-	28,900	-	28,988.24	-
4% International Hotel Investments plc Secured € 2026	280	553	1,309,900	2,895,500	1,340,677.02	2,910,756.25
4% International Hotel Investments plc Unsecured € 2026	268	241	1,968,700	1,582,400	1,983,405.29	1,573,791.26
5.75% International Hotel Investments plc Unsecured € 2025	173	293	1,043,000	1,636,100	1,074,879.39	1,666,180.44
5.8% International Hotel Investments plc € 2021	67	145	442,600	786,100	443,205.32	796,396.92
5.8% International Hotel Investments plc € 2023	38	75	284,100	665,700	288,414.98	668,624.25
6% International Hotel Investments plc € 2024	131	328	842,900	2,296,400	869,910.24	2,340,012.74
4.5% Izola Bank plc Unsecured € 2025	37	39	429,400	407,700	438,464.60	422,702.93
5% LifeStar Holding plc Unsecured € 2021	7	43	87,200	292,000	85,696.29	285,994.15
4% LifeStar Insurance plc Unsecured Subordinated € 2026-2031	-	-	-	-	-	-
5.3% Mariner Finance plc Unsecured € 2024	82	194	1,206,700	1,838,900	1,284,621.66	1,915,552.14
4% MeDirect Bank (Malta) plc Subordinated Unsecured € 2024-2029	7	5	224,000	100,000	256,037.34	111,112.49
4% MeDirect Bank (Malta) plc Subordinated Unsecured € 2024-2029	64	65	1,561,000	1,555,000	1,562,845.00	1,559,500.00
5% MeDirect Bank (Malta) plc Subordinated Unsecured € 2022-2027	-	-	-	-	-	-
5% MeDirect Bank (Malta) plc Subordinated Unsecured € 2022-2027	14	21	362,000	743,000	364,247.50	753,734.50
5% Mediterranean Investments Holding plc Unsecured € 2022	154	120	846,900	658,600	842,043.98	651,712.93
5.5% Mediterranean Investments Holding plc Unsecured € 2020	-	24	-	93,400	-	92,848.62
5.5% Mediterranean Investments Holding plc Unsecured € 2023	46	27	148,300	217,700	149,041.20	218,143.07
6% Mediterranean Investments Holding plc € 2021	12	29	96,700	227,100	95,925.65	225,928.96
4.8% Mediterranean Maritime Hub Finance plc Unsecured € 2026	154	202	1,152,000	1,244,000	1,165,907.20	1,231,396.90
4.5% MedservRegis plc Unsecured € 2026	41	23	1,499,700	480,600	1,441,804.10	474,993.00
5.75% MedservRegis plc Unsecured US\$ 2026	23	3	830,000	120,000	663,945.65	99,305.66
6% MedservRegis plc Secured & Guaranteed € Notes 2020-2023 S1 T1	92	102	304,700	534,600	303,395.13	525,859.94
4.85% Melite Finance plc Secured € 2028	4	7	153,800	204,900	114,850.00	182,244.00
3.75% Mercury Projects Finance plc Secured € 2027	120	200	964,000	1,164,000	979,019.51	1,168,174.80
4.25% Mercury Projects Finance plc Secured € 2031	108	151	637,300	878,100	653,174.83	890,112.31
4% Merkanti Holding plc Secured € 2026	186	267	1,127,900	1,770,700	1,146,365.78	1,786,054.34
4% MIDI plc Secured € 2026	204	195	2,113,600	1,154,800	2,176,879.12	1,167,996.30
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	109	-	1,795,400	-	1,845,689.67	-
5.5% Pendergardens Developments plc Secured € 2020 Series I	-	8	-	174,100	-	173,674.30
6% Pendergardens Developments plc Secured € 2022 Series II	55	82	1,321,000	5,632,100	1,346,121.65	5,903,815.10
4.15% Phoenicia Finance Company plc Unsecured € 2023-2028	208	215	2,059,900	1,605,600	2,058,439.01	1,591,948.17
3.9% Plaza Centres plc Unsecured € 2026	12	21	478,800	1,517,000	500,346.00	1,547,080.00
3.75% Premier Capital plc Unsecured € 2026	211	278	2,005,500	2,763,000	2,066,244.29	2,829,487.69
4.35% SD Finance plc Unsecured € 2027	255	417	2,330,700	3,343,700	2,359,899.01	3,348,247.59
4% Shoreline Mall plc Secured € 2026	141	34	1,207,000	275,200	1,215,338.95	275,429.60
4.5% Shoreline Mall plc Secured € 2032	167	64	1,055,900	657,900	1,060,587.86	661,081.31
3.5% Simonds Farsons Cisk plc Unsecured € 2027	46	72	260,500	276,100	275,171.61	293,762.67
4.65% Smartcare Finance plc Secured € 2031	69	-	433,800	-	450,846.12	-
4% SP Finance plc Secured € 2029	121	228	714,400	1,531,400	722,780.89	1,539,047.62
3.65% Stivala Group Finance plc Secured € 2029	138	122	1,340,700	715,600	1,357,860.13	724,935.47
4% Stivala Group Finance plc Secured € 2027	162	343	1,564,500	3,534,000	1,610,245.24	3,600,545.10
5.9% Together Gaming Solutions plc Unsecured Callable € 2024-2026	154	125	855,600	708,200	858,323.81	701,509.45
3.75% TUM Finance plc Secured € 2029	108	146	845,300	1,178,700	858,109.91	1,186,006.88
3.75% Tumas Investments plc Unsecured € 2027	87	116	749,300	648,200	761,362.45	658,207.55
5% Tumas Investments plc Unsecured € 2024	70	105	342,000	529,100	353,214.90	541,588.18
5.3% United Finance plc Unsecured € 2023	15	31	60,800	495,500	61,548.94	494,546.20
3.75% Virtu Finance plc Unsecured € 2027	93	108	1,182,500	982,900	1,223,610.26	1,004,578.05
4.4% Von der Heyden Group Finance plc Unsecured € 2024	157	270	1,000,000	2,849,000	1,011,654.50	2,850,064.60
Total Corporate Bonds	9,056	10,875	88,132,800	101,692,500	89,459,094	102,706,072
Malta Government Stocks						
Total MGSS	3,440	4,608	114,140,473	126,920,384	144,840,166	162,922,737
Treasury Bills						
Total Treasury Bills	5	-	24,250,000	-	24,273,375	-
Sub Total	18,176	24,777	257,312,648	278,368,646	291,041,813	324,239,314

Institutional Financial Securities Market

Security	Number of Deals		Volume/No. of Shares		Market Turnover (EURO)	
	2021	2020	2021	2020	2021	2020
6% Investar plc EUR Exchangeable Notes 2021	3	-	1,800,000	-	1,436,710	-
Total IFSM Securities	3	-	1,800,000	-	1,436,710	-
Total all Securities	18,179	24,777	259,112,648	278,368,646	292,478,523	324,239,314

Prospects MTF - Comparative Trading Figures

Security	Number of Deals		Volume/No. of Shares		Market Turnover (EURO)	
	2021	2020	2021	2020	2021	2020
Equities						
Best Deal Properties Holding plc Ord €0.10	-	-	-	-	-	-
Corporate Bonds						
4.875% AgriHoldings plc Senior Secured € 2024	18	9	106,000	42,000	106,160.00	42,380.00
5.5% Anchovy Studios plc Unsecured € 2027	7	14	42,000	73,200	42,964.00	73,409.50
5.5% AST Group plc Unsecured € 2028	10	8	30,000	47,000	29,998.00	46,750.00
5% Borgo Lifestyle Finance plc Secured Callable € 2026-2029	28	40	117,400	200,000	115,651.82	196,408.62
5% Busy Bee Finance plc Unsecured € 2029	81	52	484,900	415,100	491,262.80	422,254.70
4.25% Calamatta Cuschieri Finance plc Unsecured Callable € 2024-2026	1	11	10,000	92,000	10,100.00	92,298.80
5.35% D Shopping Malls Finance plc Unsecured € 2028	37	43	240,400	257,000	225,748.96	253,174.87
5% FES Finance plc Secured € 2029	43	17	296,500	153,700	295,015.50	154,896.50
4.75% Gillieru Investments plc Secured € 2028	30	56	81,700	152,300	81,613.93	152,547.04
5% HH Finance plc Unsecured € 2023-2028	26	24	164,100	177,300	163,678.50	175,955.50
5% Horizon Finance plc Secured Callable € 2026-2029	8	19	66,000	86,600	66,602.50	86,550.00
5.5% IG Finance plc Unsecured € 2024-2027	13	20	115,000	95,000	115,105.40	94,950.00
5% JD Capital plc Unsecured € 2028	26	50	176,700	224,500	175,774.00	221,938.89
4.75% KA Finance plc Secured Callable € 2026-2029	65	18	307,300	100,400	302,261.95	100,170.00
5.25% Klukk Finance plc Unsecured € 2027	1	14	5,000	67,400	5,050.00	67,400.00
5% Luxury Living Finance plc Secured € 2028	86	43	729,800	229,500	729,534.94	229,684.22
4.75% Orion Finance plc Unsecured € 2027	25	25	325,000	234,000	324,820.50	233,445.50
5.75% Pharmicare Finance plc Unsecured € 2025-2028	29	51	106,000	188,100	107,204.00	188,156.90
5% Smartcare Finance plc Secured € 2029	9	53	99,900	264,300	100,875.50	265,381.32
5.5% Testa Finance plc € 2029	34	36	173,400	145,700	171,439.28	145,320.21
5% The Convenience Shop Holding plc Unsecured Callable € 2026-2029	33	82	303,000	409,400	305,823.75	409,426.29
5.5% Yacht Lift Malta plc Secured Callable € 2021-2025	6	9	30,200	36,000	30,220.00	36,080.00
Total all Securities	616	694	4,010,300	3,690,500	3,996,905	3,688,579

MGS Movements 2021

Security Name	Date of Issue	Amount Issued	Coupon	Dates of Interest		Traded Value (EURO)	Deals	Last Closing Price
5% MGS 2021	25-May-04	458,844,653	5.000%	08-Feb	08-Aug	2,528,430.45	96	100.34
7% MGS 2021 (II)	18-Jun-11	466,000	7.000%	18-Jun	18-Dec	-	-	-
7% MGS 2021 (III)	30-Jun-11	2,858,800	7.000%	30-Jun	30-Dec	-	-	-
5.1% MGS 2022	16-Aug-04	71,047,725	5.100%	16-Feb	16-Aug	1,220,469.92	95	103.72
4.3% MGS 2022 (II)	6-Feb-12	240,169,400	4.300%	15-May	15-Nov	1,315,791.76	94	101.95
7% MGS 2022 (III)	1-Sep-12	1,318,800	7.000%	01-Mar	01-Sep	-	-	-
1.5% MGS 2022 (IV)	11-Jul-16	63,396,700	1.500%	11-Jan	11-Jul	6,297.60	1	104.96
5.5% MGS 2023	14-Jul-03	78,811,283	5.500%	06-Jan	06-Jul	490,814.69	52	109.23
7% MGS 2023 (II)	18-Nov-13	2,404,400	7.000%	18-May	18-Nov	-	-	-
1.4% MGS 2023 (III)	20-Feb-17	146,276,500	1.400%	11-May	11-Nov	-	-	-
0.5% MGS 2023 (IV)	13-Jul-20	130,700,000	0.500%	5-May	5-Nov	-	-	-
3.3% MGS 2024 (I)	3-Mar-14	24,051,100	3.300%	12-May	12-Nov	448,021.80	13	110.73
7% MGS 2024 (II)	18-Aug-14	1,135,000	7.000%	18-Feb	18-Aug	-	-	-
1.4% MGS 2024 (III)	11-Dec-18	201,000,000	1.400%	29-Jan	29-Jul	-	-	-
0.3% MGS 2024 (IV)	5-May-20	170,000,000	0.300%	11-Apr	11-Oct	510,500.00	2	102.10
7% MGS 2025 (I)	14-Aug-15	2,007,900	7.000%	14-Feb	14-Aug	-	-	-
0.5% MGS 2025 (II)	22-Jul-19	230,200,000	0.500%	8-May	8-Nov	-	-	-
0.75% MGS 2025 (III)	8-Apr-20	139,000,000	0.750%	17-Jan	17-Jul	-	-	-
7% MGS 2026 (I)	25-Jul-16	734,400	7.000%	25-Jan	25-Jul	-	-	-
0.4% MGS 2026 (II)	2-Mar-20	124,900,000	0.400%	20-Apr	20-Oct	-	-	-
0.4% MGS 2026 (III) FI November 2020	9-Nov-20	40,700,000	0.400%	20-Apr	20-Oct	-	-	-
0.25% MGS 2026 (III)	24-May-21	150,100,000	0.250%	18-May	18-Nov	406,640.00	3	101.66
0.25% MGS 2026 (III) FI July 2021 I	5-Jul-21	13,500,000	0.250%	18-May	18-Nov	-	-	-
0.25% MGS 2026 (III) FI July 2021 R	7-Jul-21	111,000	0.250%	18-May	18-Nov	-	-	-
0.10% MGS 2026 (IV)	4-Aug-21	133,500,000	0.100%	20-Jan	20-Jul	-	-	-
0.10% MGS 2026 (IV) FI November 2021	17-Nov-21	49,500,000	0.100%	20-Jan	20-Jul	-	-	-
1.5% MGS 2027 (I)	20-Feb-17	90,954,500	1.500%	15-Jun	15-Dec	-	-	-
7% MGS 2027 (II)	25-Jul-17	1,096,800	7.000%	25-Jan	25-Jul	-	-	-
0.8% MGS 2027 (III)	13-Jul-20	153,400,000	0.800%	29-Apr	29-Oct	-	-	-
0.8% MGS 2027 (III) FI November 2020	9-Nov-20	30,000,000	0.800%	29-Apr	29-Oct	-	-	-
0.40% MGS 2027 (IV)	1-Mar-21	146,600,000	0.400%	19-May	19-Nov	-	-	-
0.40% MGS 2027 (IV) FI September 2021	27-Sep-21	79,700,000	0.400%	19-May	19-Nov	-	-	-
4.8% MGS 2028 (I)	2-Nov-12	107,029,500	4.800%	11-Mar	11-Sep	3,625,465.43	134	130.57
4.5% MGS 2028 (II)	1-Mar-13	286,651,500	4.500%	25-Apr	25-Oct	7,299,061.04	267	131.00
7% MGS 2028 (III)	16-Jul-18	260,500	7.000%	13-Jan	13-Jul	-	-	-
5.1% MGS 2029 (I)	22-Jun-12	79,144,900	5.100%	01-Apr	01-Oct	1,622,909.31	72	136.78
2.3% MGS 2029 (II)	16-Jun-15	143,518,400	2.300%	24-Jan	24-Jul	5,775,760.25	152	114.92
1.85% MGS 2029 (III)	11-Dec-18	125,500,000	1.850%	30-May	30-Nov	4,480,000.00	1	112.00
1.85% MGS 2029 (III) FI April 2020	8-Apr-20	161,000,000	1.850%	30-May	30-Nov	-	-	-
7% MGS 2029 (IV)	15-Oct-19	2,522,400	7.000%	14-Apr	14-Oct	-	-	-
5.25% MGS 2030	26-May-10	440,165,700	5.250%	23-Jun	23-Dec	8,175,891.14	215	140.11
5.2% MGS 2031 (I)	21-Nov-11	201,343,600	5.200%	16-Mar	16-Sep	5,383,182.68	160	143.38
1% MGS 2031 (II)	2-Mar-20	174,900,000	1.000%	23-Apr	23-Oct	11,311,238.90	13	104.36
1% MGS 2031 (II) FI May 2021	24-May-21	80,100,000	1.000%	23-Apr	23-Oct	419,840.00	3	104.96
7% MGS 2031 (III)	26-Mar-21	212,000	7.000%	25-Mar	25-Sep	-	-	-
7% MGS 2031 (IV)	29-Jul-21	1,735,800	7.000%	28-Jan	28-Jul	-	-	-
0.9% MGS 2031 (V)	17-Nov-21	169,900,000	0.900%	11-Jan	11-Jul	-	-	-
4.65% MGS 2032 (I)	4-Nov-13	140,454,200	4.650%	22-Jan	22-Jul	7,899,015.33	206	141.00
4.45% MGS 2032 (II)	3-Mar-14	153,111,700	4.450%	03-Mar	03-Sep	4,766,724.96	154	139.11
4.3% MGS 2033 (I)	9-Jun-14	150,699,900	4.300%	01-Feb	01-Aug	7,620,374.90	159	139.43
4.1% MGS 2034 (I)	4-Apr-14	200,075,700	4.100%	18-Apr	18-Oct	7,823,710.97	178	138.58
2.2% MGS 2035 (I)	20-Feb-17	20,539,100	2.200%	24-May	24-Nov	4,531,524.77	79	122.20
1.00% MGS 2035 (II)	1-Mar-21	77,400,000	1.000%	23-Feb	23-Aug	1,077,999.00	11	98.90
1.00% MGS 2035 (II) FI September 2021	27-Sep-21	66,800,000	1.000%	23-Feb	23-Aug	-	-	-
2.5% MGS 2036 (I)	17-May-16	221,733,100	2.500%	17-May	17-Nov	18,220,154.03	283	121.29
1.20% MGS 2037 (I)	4-Aug-21	85,900,000	1.200%	13-May	13-Nov	184,891.15	4	102.83
2.1% MGS 2039 (I)	24-Oct-16	159,102,100	2.100%	24-Feb	24-Aug	10,586,975.21	321	114.08
3% MGS 2040 (I)	2-Mar-15	162,276,100	3.000%	11-Jun	11-Dec	15,517,684.01	373	130.77
2.4% MGS 2041 (I)	25-Jan-17	153,669,800	2.400%	25-Jan	25-Jul	9,867,698.12	215	120.00
1.5% MGS 2045 (I)	2-Mar-20	39,400,000	1.500%	22-Apr	22-Oct	-	-	-
1.5% MGS 2045 (I) FI November 2020	10-Nov-20	114,300,000	1.500%	22-Apr	22-Oct	-	-	-
1.40% MGS 2046 (I)	1-Mar-21	76,000,000	1.400%	20-Feb	20-Aug	-	-	-
1.40% MGS 2046 (I) FI May 2021	24-May-21	69,800,000	1.400%	20-Feb	20-Aug	-	-	-
1.80% MGS 2051 (I)	30-Aug-21	127,164,700	1.800%	28-Feb	28-Aug	705,186.05	49	103.90
1.80% MGS 2051 (I) I	5-Jul-21	31,000,000	1.800%	28-Feb	28-Aug	-	-	-
1.80% MGS 2051 (I) R	7-Jul-21	15,964,700	1.800%	28-Feb	28-Aug	1,017,912.30	35	105.50
1.80% MGS 2051 (I) FI August 2021	4-Aug-21	80,200,000	1.800%	28-Feb	28-Aug	-	-	-
2.00% MGS 2051 (II)	27-Sep-21	73,500,000	2.000%	10-Jan	10-Jul	-	-	-
2.00% MGS 2051 (II) FI November 2021	17-Nov-21	55,600,000	2.000%	10-Jan	10-Jul	-	-	-

Market Capitalisation as at 31 December 2021

Security	No of Shares	Close Price	Capitalisation in Euro
Equities			
BMIT Technologies p.l.c. Ord €0.10	203,595,310	0.480	97,725,748.80
Bank of Valletta p.l.c. Ord €1.00	583,849,270	0.900	525,464,343.00
FIMBank p.l.c. Ord US\$0.50	522,443,763	0.340	156,723,909.85
Grand Harbour Marina p.l.c. Ord €0.12	20,000,000	0.680	13,600,000.00
GO p.l.c. Ord €0.582343	101,310,488	3.360	340,403,239.68
Hili Properties p.l.c. Ord €0.20	400,892,700	0.270	108,241,029.00
Harvest Technology p.l.c. Ord €0.50	22,780,636	1.450	33,031,922.20
HSBC Bank Malta p.l.c. Ord €0.30	360,306,099	0.920	331,481,611.08
International Hotel Investments p.l.c. Ord €1.00	615,684,920	0.620	381,724,650.40
Lombard Bank Malta p.l.c. Ord €0.25	44,766,961	1.950	87,295,573.95
Logus Holdings p.l.c. Ord €0.232937	31,899,000	0.210	6,698,790.00
LifeStar Insurance p.l.c. Ord €0.1414779585	64,814,817	0.500	32,407,408.50
LifeStar Holding p.l.c. Ord €0.291172	30,000,000	1.000	30,000,000.00
MIDI p.l.c. Ord €0.20	214,159,922	0.430	92,088,766.46
Medserv p.l.c. Ord €0.10	101,637,634	0.650	66,064,462.10
Malta International Airport p.l.c. Ord €0.25	81,179,990	6.000	487,079,940.00
Malita Investments p.l.c. Ord B €0.50	30,000,000	0.800	24,000,000.00
Mapfre Middlesea p.l.c. Ord €0.21	92,000,000	2.300	211,600,000.00
Malta Properties Company p.l.c. Ord €0.32	101,310,488	0.550	55,720,768.40
Main Street Complex p.l.c. Ord €0.10	19,384,619	0.480	9,304,617.12
MaltaPost p.l.c. Ord €0.25	37,654,720	1.220	45,938,758.40
PG p.l.c. Ord €0.25	108,000,000	2.400	259,200,000.00
Plaza Centres p.l.c. Ord €0.20	25,492,000	0.930	23,707,560.00
RS2 Software p.l.c. Ord €0.06	192,968,569	1.740	335,765,310.06
RS2 Software p.l.c. Pref €0.06	8,989,600	1.650	14,832,840.00
Simonds Farsons Cisk p.l.c. Ord €0.30	30,000,000	9.650	289,500,000.00
Santomas Shareholdings p.l.c. Ord €0.275	7,314,122	1.180	8,630,663.96
Tigne Mall p.l.c. Ord €0.50	56,400,000	0.750	42,300,000.00
Trident Estates p.l.c. Ord €1.00	42,000,003	1.540	64,680,004.62
VBL p.l.c. Ord €0.20	244,471,217	0.300	73,341,365.10
Total:			4,248,553,282.68
Corporate Bonds			
5.1% 1923 Investments plc Unsecured € 2024	36,000,000	102.000	36,720,000.00
5.1% 6PM Holdings plc Unsecured € 2025	13,000,000	102.500	13,325,000.00
3.25% APS Bank plc Unsecured Subordinated € 2025-2030	55,000,000	102.500	56,375,000.00
3.25% AX Group plc Unsecured € 2026 Series I	15,000,000	100.250	15,037,500.00
3.75% AX Group plc Unsecured € 2029 Series II	10,000,000	102.500	10,250,000.00
6% AX Investments plc € 2024	40,000,000	103.000	41,200,000.00
3.5% Bank of Valletta plc € Notes 2030 S1 T1	66,920,500	103.500	69,262,717.50
3.5% Bank of Valletta plc € Notes 2030 S2 T1	44,670,400	104.000	46,457,216.00
3.75% Bank of Valletta plc Unsecured Subordinated € 2026-2031	50,000,000	103.500	51,750,000.00
4.25% Best Deal Properties Holding plc Secured € 2024	13,558,000	104.000	14,100,320.00
3.75% Bortex Group Finance plc Unsecured € 2027	12,750,000	102.000	13,005,000.00
3.9% Browns Pharma Holdings plc Unsecured Callable € 2027-2031	13,000,000	103.500	13,455,000.00
4% Cablenet Communication Systems plc Unsecured € 2030	40,000,000	102.500	41,000,000.00
4% Central Business Centres plc Unsecured € 2027-2033	21,000,000	101.000	21,210,000.00
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000,000	101.000	6,060,000.00
5.25% Central Business Centres plc Unsecured € 2025 S2T1	3,000,000	102.990	3,089,700.00
4.25% Corinthia Finance plc Unsecured € 2026	40,000,000	102.500	41,000,000.00
4.75% Dino Fino Finance plc Secured € 2033	7,800,000	103.000	8,034,000.00
5% Dizz Finance plc Unsecured € 2026	8,000,000	100.000	8,000,000.00
4% Eden Finance plc Unsecured € 2027	40,000,000	101.660	40,664,000.00
4.5% Endo Finance plc Unsecured € 2029	13,500,000	99.000	13,365,000.00
4% Exalco Finance plc Secured € 2028	15,000,000	103.000	15,450,000.00
3.65% GAP Group plc Secured € 2022	29,118,400	97.000	28,244,848.00
3.7% GAP Group plc Secured € 2023-2025 Series I	21,000,000	101.000	21,210,000.00
4.25% GAP Group plc Secured € 2023	19,247,300	101.500	19,536,009.50
3.5% GO plc Unsecured € 2031	60,000,000	103.000	61,800,000.00
4.5% Grand Harbour Marina plc Unsecured € 2027	15,000,000	104.000	15,600,000.00
5% Hal Mann Vella Group plc Secured € 2024	30,000,000	104.000	31,200,000.00
3.8% Hili Finance Company plc Unsecured € 2029	80,000,000	100.000	80,000,000.00
3.85% Hili Finance Company plc Unsecured € 2028	40,000,000	101.500	40,600,000.00
4.5% Hili Properties plc Unsecured € 2025	37,000,000	102.550	37,943,500.00
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	101.000	12,120,000.00
3.65% International Hotel Investments plc Unsecured € 2031	80,000,000	100.200	80,160,000.00
4% International Hotel Investments plc Secured € 2026	55,000,000	102.500	56,375,000.00
4% International Hotel Investments plc Unsecured € 2026	60,000,000	100.000	60,000,000.00
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	102.650	46,192,500.00
5.8% International Hotel Investments plc € 2023	10,000,000	103.000	10,300,000.00
6% International Hotel Investments plc € 2024	35,000,000	101.100	35,385,000.00
4.5% Izola Bank plc Unsecured € 2025	12,000,000	103.000	12,360,000.00
4% LifeStar Insurance plc Unsecured Subordinated € 2026-2031	2,431,300	100.000	2,431,300.00
5.3% Mariner Finance plc Unsecured € 2024	35,000,000	103.000	36,050,000.00
4% MedDirect Bank (Malta) plc Subordinated Unsecured € 2024-2029	2,417,000	100.000	2,879,780.77
4% MedDirect Bank (Malta) plc Subordinated Unsecured € 2024-2029	32,202,000	103.000	33,168,060.00
5% MedDirect Bank (Malta) plc Subordinated Unsecured € 2022-2027	1,188,000	100.000	1,415,465.27
5% MedDirect Bank (Malta) plc Subordinated Unsecured € 2022-2027	18,651,000	102.990	19,208,664.90
5% Mediterranean Investments Holding plc Unsecured € 2022	40,000,000	99.980	39,992,000.00
5.5% Mediterranean Investments Holding plc Unsecured € 2023	20,000,000	100.000	20,000,000.00
4.8% Mediterranean Maritime Hub Finance plc Unsecured € 2026	15,000,000	102.950	15,442,500.00
4.5% MedservRegis plc Unsecured € 2026	21,982,400	99.000	21,762,576.00
5.75% MedservRegis plc Unsecured US\$ 2026	9,148,100	95.000	7,667,809.25
6% MedservRegis plc Secured & Guaranteed € Notes 2020-2023 S1 T1	20,000,000	101.990	20,398,000.00
4.85% Melite Finance plc Secured € 2028	9,250,000	80.000	7,400,000.00
3.75% Mercury Projects Finance plc Secured € 2027	11,500,000	101.300	11,649,500.00
4.25% Mercury Projects Finance plc Secured € 2031	11,000,000	102.500	11,275,000.00
4% Merkanti Holding plc Secured € 2026	25,000,000	101.990	25,497,500.00
4% MIDI plc Secured € 2026	50,000,000	103.250	51,625,000.00
3.65% Mizzi Organisation Finance plc € Unsecured 2028-2031	45,000,000	102.400	46,080,000.00
6% Pendergardens Developments plc Secured € 2022 Series II	21,093,400	100.750	21,251,600.50
4.15% Phoenixia Finance Company plc Unsecured € 2023-2028	25,000,000	100.000	25,000,000.00
3.9% Plaza Centres plc Unsecured € 2026	7,350,000	104.500	7,680,750.00
3.75% Premier Capital plc Unsecured € 2026	65,000,000	102.200	66,430,000.00
4.35% SD Finance plc Unsecured € 2027	65,000,000	100.890	65,578,500.00
4% Shoreline Mall plc Secured € 2026	14,000,000	99.500	13,930,000.00
4.5% Shoreline Mall plc Secured € 2032	26,000,000	99.500	25,870,000.00
3.5% Simonds Farsons Cisk plc Unsecured € 2027	20,000,000	105.000	21,000,000.00
4.65% Smartcare Finance plc Secured € 2031	13,000,000	103.000	13,390,000.00
4% SP Finance plc Secured € 2029	12,000,000	100.000	12,000,000.00
3.65% Stivala Group Finance plc Secured € 2029	15,000,000	102.900	15,435,000.00
4% Stivala Group Finance plc Secured € 2027	45,000,000	103.500	46,575,000.00
5.9% Together Gaming Solutions plc Unsecured Callable € 2024-2026	20,000,000	101.000	20,200,000.00
3.75% TUM Finance plc Secured € 2029	20,000,000	101.000	20,200,000.00
3.75% Tumas Investments plc Unsecured € 2027	25,000,000	100.500	25,125,000.00
5% Tumas Investments plc Unsecured € 2024	25,000,000	101.050	25,262,500.00
5.3% United Finance Plc Unsecured € 2023	8,500,000	100.650	8,555,250.00
3.75% Virtu Finance plc Unsecured € 2027	25,000,000	103.000	25,750,000.00
4.4% Von der Heyden Group Finance plc Unsecured € 2024	25,000,000	100.930	25,232,500.00
Total:			2,086,246,567.68

Market Capitalisation as at 31 December 2021 *continued*

Security	No of Shares	Close Price	Capitalisation in Euro
Malta Government Stocks			
0.1% Malta Government Stock 2026 (IV)	133,500,000	100.867	134,657,178.00
0.1% Malta Government Stock 2026 (IV) FI Nov 2021	49,500,000	100.324	49,660,182.00
0.25% Malta Government Stock 2026 (III)	163,711,000	101.660	166,428,602.60
0.3% Malta Government Stock 2024 (IV)	170,000,000	102.100	173,570,000.00
0.4% Malta Government Stock 2026 (II)	165,600,000	103.726	171,770,256.00
0.4% Malta Government Stock 2027 (IV)	226,300,000	102.820	232,681,660.00
0.5% Malta Government Stock 2023 (IV)	130,700,000	101.262	132,349,564.70
0.5% Malta Government Stock 2025 (II)	230,200,000	103.030	237,175,060.00
0.75% Malta Government Stock 2025 (III)	139,000,000	103.310	143,600,900.00
0.8% Malta Government Stock 2027 (III)	183,400,000	103.131	189,142,070.60
0.9% Malta Government Stock 2031 (V)	169,900,000	102.302	173,810,928.10
1% Malta Government Stock 2031 (II)	255,000,000	104.360	266,118,000.00
1% Malta Government Stock 2035 (II)	77,400,000	98.900	76,548,600.00
1% Malta Government Stock 2035 (II) FI Sept 2021	66,800,000	100.293	66,995,924.40
1.2% Malta Government Stock 2037 (I)	85,900,000	102.830	88,330,970.00
1.4% Malta Government Stock 2023 (III)	146,276,500	106.270	155,448,036.55
1.4% Malta Government Stock 2024 (III)	201,000,000	107.610	216,296,100.00
1.4% Malta Government Stock 2046 (I)	145,800,000	103.000	150,174,000.00
1.5% Malta Government Stock 2022 (IV)	63,396,700	104.960	66,541,176.32
1.5% Malta Government Stock 2027 (I)	90,954,500	109.250	99,367,791.25
1.5% Malta Government Stock 2045 (I)	153,700,000	118.000	181,366,000.00
1.8% Malta Government Stock 2051 (I)	127,164,700	103.900	132,124,123.30
1.85% Malta Government Stock 2029 (III)	286,500,000	112.000	320,880,000.00
2% Malta Government Stock 2021 (II)	73,500,000	103.520	76,087,200.00
2% Malta Government Stock 2051 (II) FI Nov 2021	55,600,000	104.698	58,212,143.60
2.1% Malta Government Stock 2039 (I)	159,102,100	114.080	181,503,675.68
2.2% Malta Government Stock 2035 (I)	20,539,100	122.200	25,098,780.20
2.3% Malta Government Stock 2029 (II)	143,518,400	114.920	164,931,345.28
2.4% Malta Government Stock 2041 (I)	153,669,800	120.000	184,403,760.00
2.5% Malta Government Stock 2036 (I)	221,733,100	121.290	268,940,076.99
3% Malta Government Stock 2040 (I)	162,276,100	130.770	212,208,455.97
3.3% Malta Government Stock 2024 (I)	24,051,100	110.730	26,631,783.03
4.1% Malta Government Stock 2034 (I)	200,075,700	138.580	277,264,905.06
4.3% Malta Government Stock 2022 (II)	240,169,400	101.950	244,852,703.30
4.3% Malta Government Stock 2033 (I)	150,699,900	139.430	210,120,870.57
4.45% Malta Government Stock 2032 (II)	153,111,700	139.110	212,993,685.87
4.5% Malta Government Stock 2028 (II)	286,651,500	131.000	375,513,465.00
4.65% Malta Government Stock 2032 (I)	140,454,200	141.000	198,040,422.00
4.8% Malta Government Stock 2028 (I)	107,029,500	130.570	139,748,418.15
5.1% Malta Government Stock 2022	71,047,725	103.720	73,690,700.37
5.1% Malta Government Stock 2029 (I)	79,144,900	136.780	108,254,394.22
5.2% Malta Government Stock 2031 (I)	201,343,600	143.380	288,686,453.68
5.25% Malta Government Stock 2030	440,165,700	140.110	616,716,162.27
5.5% Malta Government Stock 2023	78,811,283	109.230	86,085,564.42
7% Malta Government Stock 2022 (III)	1,318,800	100.000	1,318,800.00
7% Malta Government Stock 2023 (II)	2,404,400	133.550	3,211,076.20
7% Malta Government Stock 2024 (II)	1,135,000	140.200	1,591,270.00
7% Malta Government Stock 2025 (I)	2,007,900	149.700	3,005,826.30
7% Malta Government Stock 2026 (I)	734,400	155.800	1,144,195.20
7% Malta Government Stock 2027 (II)	1,096,800	100.000	1,096,800.00
7% Malta Government Stock 2028 (III)	260,500	100.000	260,500.00
7% Malta Government Stock 2029 (IV)	2,522,400	100.000	2,522,400.00
7% Malta Government Stock 2031 (III)	212,000	100.000	212,000.00
7% Malta Government Stock 2031 (IV)	1,735,800	100.000	1,735,800.00
Total:			7,671,120,757.18
TREASURY BILLS			
90 Day Treasury Bill 11.11.21 - 09.02.22	14,000,000	100.1101	14,015,414.00
90 Day Treasury Bill 30.12.21 - 30.03.22	13,700,000	100.1016	13,713,919.20
91 Day Treasury Bill 07.10.21 - 06.01.22	16,000,000	100.1010	16,016,160.00
91 Day Treasury Bill 14.10.21 - 13.01.22	21,000,000	100.1040	21,021,840.00
91 Day Treasury Bill 21.10.21 - 20.01.22	20,000,000	100.1126	20,022,520.00
91 Day Treasury Bill 18.11.21 - 17.02.22	15,000,000	100.1078	15,016,170.00
91 Day Treasury Bill 25.11.21 - 24.02.22	18,000,000	100.1096	18,019,728.00
91 Day Treasury Bill 02.12.21 - 03.03.22	25,720,000	100.1035	25,746,620.20
91 Day Treasury Bill 09.12.21 - 10.03.22	20,000,000	100.1058	20,021,160.00
91 Day Treasury Bill 16.12.21 - 17.03.22	30,500,000	100.1055	30,532,177.50
91 Day Treasury Bill 23.12.21 - 24.03.22	20,000,000	100.1037	20,020,740.00
181 Day Treasury Bill 12.08.21 - 09.02.22	17,000,000	100.2025	17,034,425.00
181 Day Treasury Bill 30.09.21 - 30.03.22	6,000,000	100.1869	6,011,214.00
182 Day Treasury Bill 15.07.21 - 13.01.22	6,000,000	100.2290	6,013,740.00
182 Day Treasury Bill 29.07.21 - 27.01.22	40,000,000	100.2087	40,083,480.00
182 Day Treasury Bill 19.08.21 - 17.02.22	19,000,000	100.1920	19,036,480.00
182 Day Treasury Bill 26.08.21 - 24.02.22	17,000,000	100.1935	17,032,895.00
182 Day Treasury Bill 02.09.21 - 03.03.22	8,000,000	100.1915	8,015,320.00
182 Day Treasury Bill 09.09.21 - 10.03.22	10,000,000	100.1869	10,018,690.00
182 Day Treasury Bill 23.09.21 - 24.03.22	11,500,000	100.1869	11,521,493.50
182 Day Treasury Bill 28.10.21 - 28.04.22	28,000,000	100.2351	28,065,828.00
182 Day Treasury Bill 09.12.21 - 09.06.22	5,000,000	100.2214	5,011,070.00
182 Day Treasury Bill 23.12.21 - 23.06.22	33,000,000	100.1935	33,063,855.00
273 Day Treasury Bill 22.04.21 - 20.01.22	16,000,000	100.3378	16,054,048.00
273 Day Treasury Bill 06.05.21 - 03.02.22	37,000,000	100.3417	37,126,429.00
273 Day Treasury Bill 03.06.21 - 03.03.22	3,000,000	100.3508	3,010,524.00
273 Day Treasury Bill 08.07.21 - 07.04.22	25,000,000	100.3424	25,085,600.00
273 Day Treasury Bill 16.09.21 - 16.06.22	20,000,000	100.2821	20,056,420.00
273 Day Treasury Bill 04.11.21 - 04.08.22	3,000,000	100.3035	3,009,105.00
364 Day Treasury Bill 18.02.21 - 17.02.22	7,000,000	100.4734	7,033,138.00
364 Day Treasury Bill 25.03.21 - 24.03.22	20,000,000	100.4601	20,092,020.00
364 Day Treasury Bill 29.04.21 - 28.04.22	15,000,000	100.4367	15,065,505.00
364 Day Treasury Bill 27.05.21 - 26.05.22	7,000,000	100.4663	7,032,641.00
364 Day Treasury Bill 24.06.21 - 23.06.22	21,000,000	100.4479	21,094,059.00
364 Day Treasury Bill 22.07.21 - 21.07.22	3,000,000	100.4275	3,012,825.00
364 Day Treasury Bill 05.08.21 - 04.08.22	8,000,000	100.4142	8,033,136.00
Total:			600,760,389.40

Market Capitalisation as at 31 December 2021 *continued*

Security	No of Shares	Close Price	Capitalisation in Euro
IFSM			
3% D Foods Finance plc Secured Convertible € Notes 2026-2030 Tranche 2020/1	3,000,000	100.000	3,000,000.00
4.5% G2G plc Asset (Gold) Backed Notes Tranche 2019/1	3,000,000	100.000	3,000,000.00
HELIX SCC plc - Finsion Life One 2022 US\$	6,750,000	100.000	5,955,532.03
5% Hom Re Limited Unsecured US\$ Bonds 2030	50,200,000	100.000	44,291,512.26
Total:			56,247,044.29
Exchange Traded Funds			
Metatron Long Term Equity Fund € Class D Capitalisation Participating Shares	234,570,336	249.639	58,558,044.90
Prospects MTF			
Equities			
Best Deal Properties Holding plc Ord €0.10	3,125,000	1.600	5,000,000.00
Total:			5,000,000.00
Corporate Bonds			
4.875% AgriHoldings plc Senior Secured € 2024	1,784,000	100.000	1,784,000.00
5.5% Anchovy Studios plc Unsecured € 2027	1,000,000	102.300	1,023,000.00
5.5% AST Group plc Unsecured € 2028	1,835,000	100.000	1,835,000.00
5% Borgo Lifestyle Finance plc Secured Callable € 2026-2029	5,000,000	100.010	5,000,500.00
5% Busy Bee Finance plc Unsecured € 2029	5,000,000	101.500	5,075,000.00
4.25% Calamatta Cuschieri Finance plc Unsecured Callable € 2024-2026	4,000,000	101.000	4,040,000.00
5% D Shopping Malls Finance plc Unsecured € 2028	7,500,000	94.350	7,076,250.00
5% FES Finance plc Secured € 2029	5,000,000	98.000	4,900,000.00
4.75% Gillieru Investments plc Secured € 2028	5,000,000	100.500	5,025,000.00
5% HH Finance plc Unsecured € 2023-2028	5,000,000	101.100	5,055,000.00
5% Horizon Finance plc Secured Callable € 2026-2029	2,000,000	100.000	2,000,000.00
5.5% IG Finance plc Unsecured € 2024-2027	3,700,000	100.510	3,718,870.00
5% JD Capital plc Unsecured € 2028	5,000,000	100.000	5,000,000.00
4.75% KA Finance plc Secured Callable € 2026-2029	6,000,000	95.000	5,700,000.00
5.25% Klikk Finance plc Unsecured € 2027	2,000,000	101.000	2,020,000.00
5% Luxury Living Finance plc Secured € 2028	8,000,000	100.200	8,016,000.00
4.75% Orion Finance plc Unsecured € 2027	4,700,000	100.000	4,700,000.00
5.75% Pharmicare Finance plc Unsecured € 2025-2028	5,000,000	102.000	5,100,000.00
5.5% Testa Finance plc € 2029	3,900,000	100.000	3,900,000.00
5% The Convenience Shop Holding plc Unsecured Callable € 2026-2029	5,000,000	101.500	5,075,000.00
5.5% Yacht Lift Malta plc Secured Callable € 2021-2025	2,000,000	101.000	2,020,000.00
Total:			88,063,620.00

Collective Investment Funds Investing in MSE Listed Securities

Fund	Net Asset Value in EURO	Net Asset Value in EURO
	31 Dec 21	31 Dec 20
Amalgamated Funds SICAV plc - Growth and Income Fund	63,910,320*	57,710,438**
APS Funds SICAV plc - APS Income Fund	88,409,042	88,296,353
Calamatta Cuschieri Funds SICAV plc - Malta Government Bond Fund	37,586,274	32,293,317
Calamatta Cuschieri Funds SICAV plc - Malta Income Fund Class A EUR Accumulation Investor Shares	8,026,097	5,792,216
Calamatta Cuschieri Funds SICAV plc - Malta Income Fund Class B EUR Distribution Investor Shares	14,007,230	10,506,796
HSBC Malta Funds SICAV plc - Malta Bond Fund	148,854,603	152,056,229
HSBC Malta Funds SICAV plc - Malta Government Bond Fund	97,201,295	110,230,704
HSBC Malta Funds SICAV plc - Maltese Assets Fund	48,178,088	46,218,812
Kylin Prime SICAV plc - Malta Government Securities Fund Class A EUR MGS Shares	1,145,264.193***	1,088,901
Magiston Funds SICAV plc - Integra New Horizon Fund Class H EUR Distribution Shares	12,421,661	-
Vilhena Funds SICAV plc - Malta Bond Fund	163,810,706	167,447,824
Vilhena Funds SICAV plc - Malta Fund	42,487,990	42,398,734
Vilhena Funds SICAV plc - Malta Government Bond Fund	314,272,828	339,227,003
Vilhena Funds SICAV plc - Maltese Equity Focus Fund	14,825,215	15,670,051
Vilhena Funds SICAV plc - Maltese Opportunities Fund	24,857,821	26,304,825

*Valuation as at 10 December **Valuation as at 31 October ***Valuation as at 30 September

Securities Listed on the Regulated Main Market

as at 31 December 2021

Equities	30
Corporate Bonds	76
Government Stocks	54
Treasury Bills	36
Exchange Traded Funds	1
Collective Investment Schemes	Primary Listed - 49
	Secondary Listed - 7
Total:	253

IFSM Listed Securities

as at 31 December 2021

Equities	-
Corporate Bonds	4
Total:	4

Securities Admitted on the Prospects MTF Market

as at 31 December 2021

Equities	1
Corporate Bonds	21
Total:	22

Admissions During 2021

Equities

400,892,700	Hili Properties plc Ordinary Shares €0.20
64,814,817	LifeStar Insurance plc Ordinary Shares €0.1414779585
589,047	Lombard Bank Malta plc Ordinary Shares €0.25
47,893,229	MedservRegis plc Ordinary Shares €0.10
8,989,600	RS2 Software plc Preference Shares €0.06
244,471,217	VBL plc Ordinary Shares €0.20

Corporate Bonds

60,000,000	3.5% GO plc Unsecured € Bonds 2031
80,000,000	3.65% International Hotel Investments plc Unsecured € Bonds 2031
45,000,000	3.65% Mizzi Organisation Finance plc Unsecured € Bonds 2028-2031
13,000,000	3.9% Browns Pharma Holdings plc Unsecured Callable € Bonds 2027-2031
21,000,000	4% Central Business Centres plc Unsecured € Bonds 2027-2033
2,431,300	4% LifeStar Insurance plc Unsecured Subordinated € Bonds 2026-2031
13,000,000	4.65% Smartcare Finance plc Secured € Bonds 2031
7,800,000	4.75% Dino Fino Finance plc Secured € Bonds 2033

Malta Government Stocks

133,500,000	0.1% Malta Government Stock 2026 (IV)
49,500,000	0.1% Malta Government Stock 2026 (IV) FI November 2021
150,100,000	0.25% Malta Government Stock 2026 (III)
13,500,000	0.25% Malta Government Stock 2026 (III) FI July 2021 I
111,000	0.25% Malta Government Stock 2026 (III) FI July 2021 r
146,600,000	0.4% Malta Government Stock 2027 (IV)
79,700,000	0.4% Malta Government Stock 2027 (IV) FI September 2021
169,900,000	0.9% Malta Government Stock 2031 (V)
80,100,000	1% Malta Government Stock 2031 (II) FI May 2021
77,400,000	1% Malta Government Stock 2035 (II)
66,800,000	1% Malta Government Stock 2035 (II) FI September 21
85,900,000	1.2% Malta Government Stock 2037 (I)
76,000,000	1.4% Malta Government Stock 2046 (I)
69,800,000	1.4% Malta Government Stock 2046 (I) FI May 2021
31,000,000	1.8% Malta Government Stock 2051 (I) I
15,964,700	1.8% Malta Government Stock 2051 (I) R
80,200,000	1.8% Malta Government Stock 2051 (I) FI August 2021
73,500,000	2% Malta Government Stock 2051 (II)
55,600,000	2% Malta Government Stock 2051 (II) FI November 2021
212,000	7% Malta Government Stock 2031 (III)
1,735,800	7% Malta Government Stock 2031 (IV)

Treasury Bills

1,904,170,000	101 issues of Treasury Bills
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Exchange Traded Funds

234,570.3362	Metatron Capital SICAV plc - Long-Term Equity Fund EUR Class D Capitalisation Participating Shares
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Collective Investment Schemes

2 sub-funds	Iconic Funds SICAV plc
1 sub-fund	Magiston Funds SICAV plc

As at year end, the number of non-listed securities admitted to the CSD amounted to 33, of which 15 are equities and 18 debt instruments.

Market Operations Office

The total number of approved firms as at the end of 2021 remained unchanged and stood at 18 member firms. As at the end of the year, the number of active traders having access to the T7 Trading System stood at 53.

Information Technology

IT development and testing continued throughout the year in preparation for the introduction of the European Single Electronic Format (ESEF). This involved development and testing of both the frontend interfaces and the backend solution needed for the filing of Annual Financial Statements by listed companies.

Testing was conducted with the MFSA to ensure that the file formats required by the new regulation are consistent and properly validated. As of 2022, listed companies would be required to publish their financial statements for the financial year starting on or after 1 January 2021 in the new format.

In 2021, development and testing began on a new and updated website for the MSE. The updates will ensure that the MSE's website is compatible across different devices, especially on mobiles and tablets, and will enhance the look and feel of the existing website.

During the year, the Exchange continued investing in its IT infrastructure, including upgrading hardware and network devices, and other improvements to internal systems.

Ongoing improvements that are implemented to strengthen the Exchange's infrastructure also included an exercise that was conducted together with external service providers to detect and identify areas for improvement against cybersecurity threats. The results of the exercise also facilitated the identification and prioritisation of implementations required to strengthen and improve areas of the infrastructure.

Renewal of Contract with Deutsche Boerse

In September, the Malta Stock Exchange renewed its agreement with Deutsche Boerse to continue using the T7 trading technology for another five years. The agreement ensures that the Exchange will continue to operate its markets with highly efficient technology.



National Numbering Agency

A total of 346 International Securities Identification Numbers (ISINs) were issued in 2021. Of these, 138 ISINs were issued for financial instruments listed on the Exchange and another 208 were issued for unlisted securities.

Reporting in Line with the European Markets Infrastructure Regulation

At the end of 2021, 17 counterparties and 90 delegating counterparties were using the Exchange's European Markets Infrastructure Regulation (EMIR) reporting service. In total, 3,467 trades were reported through the MSE's reporting facility in 2021.

Malta Stock Exchange Institute

The Malta Stock Exchange Institute (MSEI) has now been operating for four years and has established itself as a leading provider of short courses aimed at the financial services sector and members of the public. In 2021, the Institute organised 72 courses and attracted just over 1,300 attendees to these courses, which were all held in a virtual environment in line with guidelines issued by the Health Authorities related to the Covid-19 pandemic.

The Institute offered a total of 64 unique courses that addressed diverse areas, including the capital markets, corporate risk, human resources, legal issues, financial reporting, tax and VAT, cybersecurity, regulations and compliance, portfolio risk, funds administration and management, trusts, corporate sustainability, as well as other more general subject areas. Every year, new courses are introduced to ensure that the courses offered by the Institute remain relevant.

The switch to a virtual classroom environment was met favourably by most lecturers and even more so by the attendees. From the feedback forms completed by attendees after each course, it was evident that the vast majority of attendees would recommend the attendance of courses run by the Institute to their colleagues. The same feedback forms also indicated that 80% of attendees prefer the online environment.

The online environment is a key contributor to the continued attendance of MSEI courses by financial services practitioners located outside Malta. Through the course promotions via e-mail, social media and the MSE's website, the Institute was able to attract attendees from many EU countries as well as from countries such as Malaysia and Singapore. In an effort to improve this international business dimension, Mr Cliff Pace, the Director

of Studies, joined a Malta Enterprise trade mission to the Dubai Expo in December 2021 to promote the Institute's online educational opportunities.

The Institute continued to participate in the Erasmus Plus Framework through the conclusion of the first project Transition, which was led and co-ordinated by the Institute. This was carried out in partnership with another four European entities, FVB S.R.L. (Italy), Cooperation Bancaire Pour L'Europe (Belgium), Fondazione Luigi Clerici (Italy) and Lidi Smart Solutions (Netherlands). The project led to the creation of teaching material aimed at entrepreneurs, as well as educational courses to close the knowledge gap on the digital evolution and adoption of Digital Ledger Technologies.

A second project, led and co-ordinated by the Institute, is called I Don't Know. This will create online training programmes aimed at increasing the level of financial literacy among youths aged 16 to 20. The partners in this project are KIST Consult (Austria), International Business College (Denmark), Ålands yrkesgymnasium (Finland), Obrtna tehnicka skola (Croatia) and Poljoprivredno sumarska skola Vinkovci (Croatia).

A third project, entitled 'Beyond Capital – The Next Generation of Social Enterprises', was approved by the European Union Programmes Agency (EUPA) towards the end of 2021. This project will be led by the Maltese-Italian Chamber of Commerce with the MSEI as a partner.



The Malta Stock Exchange Institute would like to thank the following sponsors:

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STATEMENT OF COMPLIANCE

with the Code
of Principles of
Good Corporate
Governance



STATEMENT OF COMPLIANCE

with the Code of Principles of Good Corporate Governance

For the Year Ended 31 December 2021

The Malta Stock Exchange (the “Exchange”) supports the Code of Principles of Good Corporate Governance (the “Code” or the “Principles”), published as Appendix 5.1 to Chapter 5 of the Listing Rules of the Malta Financial Services Authority. The Exchange is committed to observing the principles of transparent, responsible corporate governance and the Board of Directors has voluntarily adopted this Code.

Part 1: Compliance with the principles

The Board of Directors (the “Board”) considers compliance with the Code to constitute an important means to maintain the confidence of present and future shareholders, creditors, employees, market participants and the public. The Board has taken the necessary measures for the Exchange to comply with the main principles of the Code to the extent that these were considered appropriate and complementary to the size, nature and operations of the Exchange.

Pursuant to a Board decision, the Exchange is hereby presenting a statement of compliance for the year ended 31 December 2021, which details the extent to which the Code has been adopted, as well as the effective measures taken by the Exchange to ensure compliance with the Code.

Principle 1: Roles and responsibilities of the Board

The Exchange is headed by an effective Board and the composition of the Board during the period ensured that the Exchange was led and controlled by individuals who have the necessary skills and diversity of experience. Besides having a broad range of knowledge of the Exchange, the Board is also conversant with the applicable statutory and regulatory requirements.

The Board exercises prudent and effective controls, which enables risks to be assessed. The Board is responsible for accountability, monitoring, strategy formulation and policy development and supplements the management team in delivering sustainable added value for its shareholder. The Board considers strategic issues, devises key projects and regularly monitors performance against delivery of key targets.

Principle 2: Roles and responsibilities of the Chairman and the Chief Executive Officer

The Exchange clearly distinguishes between the roles and responsibilities of the Executive Chairman and the Chief Executive Officer, thus ensuring that no one individual or small group of individuals have unfettered powers of decision. The roles of the Executive Chairman and the Chief Executive Officer were held separately during the period to ensure that there was a clear distinction between the running of the Board and the running of the business of the Exchange. The Executive Chairman is engaged on a part-time basis and, in addition to the responsibilities stipulated in the Code, also oversees all Exchange affairs with a particular emphasis on Board matters, managing public relations, marketing and business development initiatives. This is not considered to be of concern to the Exchange since the Chairman undertakes to maintain in all circumstances his independence of analysis, decision and action. The Chairman is responsible for managing the Board’s agenda, ensures that the Directors of the Board receive timely information, ensures effective communication with shareholders and encourages active engagement by all members of the Board during meetings.

Principle 3: Board composition and appointment of directors

As at 31 December 2021, the Board is composed of an Executive Chairman and three independent non-executive Board Members. Thus, the Board is not so large as to be unwieldy while being of sufficient size that the balance of skills and experience is appropriate for the requirements of the business. In addition, any changes to the Board’s composition can be managed without undue disruption. At the beginning of 2021, the Board was composed of an Executive Chairman and four independent non-executive Board Members, two of whom resigned in August 2021, while another non-executive Board Member was appointed by the Shareholder in November 2021.

The Board considers that all non-executive Directors are independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgment. The members of the Board have the balance of knowledge and experience, as well as a strong non-executive presence to allow continued scrutiny of performance, strategy and governance.

The Board believes that the independence of its Directors is not compromised because of long service or the provision of any other service to the Exchange. Each Director is mindful of maintaining independence, professionalism and integrity in carrying out his/her duties, responsibilities, while providing judgment as a Director of the Exchange.

The Board considers that none of the independent Directors of the Exchange:

- is or has been employed in any capacity by the Exchange;
- has or has had, over the past three years, a significant business relationship with the Exchange;
- has received or receives significant additional remuneration from the Exchange in addition to his/her director's fee;
- has close family ties with any of the Exchange's executive directors or senior employees; and
- has been within the last three years an engagement partner or a member of the audit team or past external auditor of the Exchange.

In terms of Code Principle 3.4, every Non-Executive Director has declared in writing to the Board that he/she undertakes:

- to maintain in all circumstances his/her independence of analysis, decision and action;
- not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
- to clearly express his/her opposition in the event that he/she finds that a decision of the Board may harm the Exchange.

Principle 4 and 5: Duties and proceedings of directors

The Board has the first level responsibility of executing the four basic roles of corporate governance namely: accountability, monitoring, strategy formulation and policy development. The Board has responsibility for overseeing the strategic planning process and reviewing and monitoring management's execution of policy and strategy. The Board assesses and monitors on a continuous basis the Exchange's present and future operations, opportunities, threats and risks in the external environment, and current and future strengths and weaknesses. On a monthly basis, the Board monitors performance and reports to its satisfaction.

The Board ensures that its level of power is known by all Directors and senior management of the Exchange; however, the Board delegates certain powers, authorities and discretions to the Audit Committee.

The Board meets 12 times a year unless further meetings are required in accordance with the needs of the Exchange. Board members are given ample opportunity during meetings to discuss issues set on the Board Agenda and to convey their opinions. Minutes are taken during Board meetings that record faithfully attendance and decisions. These minutes are subsequently circulated to all the Directors as soon as practicable after the meeting.

Each Director is expected to attend all meetings of the Board and Board committees of which the Director is a member. The Board recognises that occasional meetings may need to be scheduled at short notice when the participation of a Director is not possible and that conflicts may arise in time schedules that will prevent a Director from attending or participating in a regularly scheduled meeting.

Principle 6: Information and professional development

All Directors are supplied with precise, timely and clear information so that they can effectively contribute to Board decisions. The Exchange is committed to provide adequate and detailed induction training to directors who are newly appointed to the Board. Directors are encouraged to engage directly with any member of management regarding any questions or concerns the Directors may have.

The Exchange firmly believes in the professional development of all the members in the organisation and training opportunities are provided for the Exchange's employees and the Directors to keep abreast with current technological, regulatory and operational trends and practices. All tools are made available to the Board and the Chief Executive Officer to monitor management and staff morale, and ensure an adequate succession plan is in place, including the provision of option for recruitment and appointment of senior management.

All directors have access to independent professional advice at the expense of the Exchange, where necessary, and they have access to the advice and services of the Company Secretary at all times.

Principle 8: Board committees

The Board has established the following Committees:

- Audit Committee;
- Risk Management Committee; and
- Remuneration Committee.

Audit Committee

The Board delegates certain powers, authorities and discretions to the Audit Committee. The Audit Committee's primary role is to protect the interests of the Exchange's Shareholder and support the Board in terms of quality control of the Exchange's financial reporting process, internal controls and in managing the Board's relationship with the External Auditors.

This Committee approves the internal audit work plan, which will include assessment of controls relating to financial reporting and other risks, as appropriate. The Internal Audit Working Committee and the outsourced Internal Auditor have direct access to the Audit Committee Chairman.

The terms of reference of the Audit Committee include, among other matters:

- to assist the Board in fulfilling its monitoring responsibility over the financial reporting processes, financial policies and internal control structures;
- to assess the scope and effectiveness of systems established by Management, to identify, assess, manage and monitor financial and non-financial risks;
- to establish and review accounting systems and internal control procedures as well as any matters raised by the external auditor and the internal auditors, and monitor these on a regular basis;
- to review and assess the methodology and robustness of the Exchange's annual budget as presented by management and make recommendations to the Board;
- to determine whether the financial statements have been prepared following appropriate accounting standards;
- to make recommendations to the Board regarding the approval of the Budget and the Financial Statements;
- to maintain communications on such matters between the Board, Management, External Auditors and Internal Audit;
- to receive updates and note management's responsiveness to the internal auditors' findings and recommendations in relation to financial operations, procedures, reporting, requirements and related matters;
- to consider and make recommendations to the Board on the appointment, re-appointment and/or removal of External Auditors;
- to approve and make recommendations to the Board with regard to the qualifications, expertise, resources, effectiveness and independence of the External Auditors and to recommend relevant terms of engagement and remuneration of the External Auditors;
- to discuss with the External Auditors the findings of the auditors and to review the management letter and responses of management prior to submission to the Board.

The members of the Audit Committee, as at 31 December 2021, are:

Mr Steven Tedesco (Chairman);
Dr Stephanie Fabri (appointed on 29th November 2021);
Prof Tanya Sammut-Bonnici (resigned on 13th August 2021);
Mr Joseph Portelli; and
Ms Charmaine Baldacchino.

Mr Tedesco and Dr Stephanie Fabri are independent, non-executive directors. Prof. Sammut Bonnici was also an independent non-executive director. Mr Tedesco has been appointed by the Board of Directors to act as Chair to the Audit Committee. Ms Baldacchino is the Exchange's Chief Financial Officer and is competent in accounting and auditing. All members of the Audit Committee have extensive experience in the financial services sector.

The Audit Committee met eleven times in 2021. The External Auditors were invited to and attended one of these meetings to discuss the 2020 Annual Report. The Chair of the Internal Audit Working Committee attended the meetings of the Audit Committee in 2021 and the Internal Auditor attended three Audit Committee meetings in 2021.

Risk Management Committee

The role of the Risk Management Committee is to assist and support the Board in determining the organisation's strategic direction and the creation of the appropriate environment and structures for risk management to operate effectively.

The terms of reference of the Risk Management Committee include, among other matters:

- to have responsibility for the design, implementation and maintenance of effective risk management in order to minimise the probable occurrence of risk and the impact on its business;
- to identify the nature and extent of risk acceptable to the Exchange in respect of its activities and the probability of such risks becoming a reality;
- to monitor the effectiveness of the risk management process and to review and assess the Exchange's Risk Management Policy on a regular basis and to have oversight of risk management related matters in order to ensure compliance with the strategy laid down by the Board giving due regard all the Exchange's procedures including Business Contingency Arrangements;
- to assist and support the strategy set out by the Board to ensure best practice to mitigate risk in order to reduce the risk of impairment to the Exchange's integrity and reputation.

The members of the Risk Management Committee, as at 31 December 2021, are:

Prof Joseph Falzon (Chairman);
Dr Abdalla Kablan (resigned on 16th August 2021);
Mr Joseph Portelli;
Mr Simon Zammit;
Mr Alfred Sammut;
Ms Charmaine Baldacchino; and
Ms Marie Cordina.

The Risk Management Committee met four times in 2021.

Remuneration Committee

The role of the Remuneration Committee is to devise the appropriate packages needed to attract, retain and motivate senior management with the right qualities and skills for the proper management of the Exchange. The Remuneration Committee is responsible to discuss and recommend to the Board any variable elements of senior management's remuneration.

The members of the Remuneration Committee, as at 31 December 2021, are:

Mr Steven Tedesco (Chairman);
Dr Stephanie Fabri (appointed on 29th November 2021);
Prof. Tanya Sammut Bonnici (resigned on 13th August 2021);
and
Mr Joseph Portelli.

The Remuneration Committee met once in 2021.

Principle 9 and 10: Relations with Shareholder and with the market

The Board ensures that the Exchange communicates with the market effectively and is committed to having an open and communicative relationship with its Shareholder, market participants and investors.

The Board is, as far as possible, prepared to enter into a satisfactory dialogue with market intermediaries based on the mutual understanding of objectives.

Principle 11: Conflict of interest

The Directors' primary responsibility is always to act in the interest of the Exchange and its Shareholder irrespective of who appointed them to the Board and, thus, follow procedures to manage conflicts of interest. In accordance with the provisions of the Articles of Association of the Exchange, a Director who is in any way, whether directly or indirectly interested in a contract or proposed contract or in any transaction or arrangement (whether or not constituting a contract) with the Exchange, shall declare the nature of his/her interest at a meeting of the Directors and shall not vote at a meeting of Directors in respect of any transaction, contract or arrangement in which he/she has a personal material interest.

Principle 12: Corporate social responsibility

The Exchange remains committed to being a responsible company and making a positive contribution to society and the environment, and to create long-term value for society, the economy and its business. The Exchange is committed to playing a leading and effective role in Malta's sustainable development of the capital markets and continues to support several different initiatives aimed at supporting the local community.

Part 2: Non-Compliance with the Principles

Principle 4: Succession policy for directors

Whereas Code provision 4.2.7 requires Directors to develop a succession policy for the future composition of the Board, and particularly the executive component thereof, this is not considered to be applicable since the Board is composed solely of non-executive members, except for the Chairman.

Whereas Code provision 4.5 requires Directors to benchmark business risk and key performance indicators against industry norms, this is not considered to be applicable given that the Exchange is the only regulated market in Malta and comparing its activity to foreign exchanges may be misleading due to size and differences in the business models.

Principle 7: Evaluation of the Board's performance

The Board reports directly to the sole Shareholder of the Exchange, being the Government of Malta. Should the Board not perform as expected, the Shareholder would change its composition. No material changes in the governance structures and organisation resulted during 2021, except for changes in the Board composition due to the resignations of two non-executive Board Members.

Principle 8: Audit committee

The Audit Committee is composed of two non-executive directors, one executive director and one member of senior management. While the Committee is not composed entirely of non-executive directors, this is not considered to be of any concern as there is no undue influence by the executive members on recommendations made by the non-executive members of the same Committee. Moreover, the Audit Committee is set up in terms of the Exchange's bye-laws, which bye-laws are approved by the Competent Authority.

Principle 8: Nomination and remuneration committee

The policy for remuneration of Directors does not fall within the remit of the Board. The Exchange constituted a Remuneration Committee; however, it does not discuss and decide on the remuneration of the Directors and therefore its composition, which includes the Executive Chairman, will not impinge on its duties.

The Nominations Committee for the appointment of new Directors to the Board is not considered applicable to the Exchange, given that the Shareholder has all the rights to appoint the members of the Board.

Principle 9: Relations with shareholders and with the market

Procedures in favour of minority shareholders, as required by the Code are not applicable since the Exchange's sole Shareholder is the Government of Malta.

Internal Control

The Board is ultimately responsible for the identification and evaluation of key risks applicable to the different areas of the Exchange's operations, and to ensure that proper systems of internal control are in place. The Board has delegated Management with the task of creating an effective control environment to the highest possible standards.

The Internal Audit function is outsourced to an independent auditor who: (a) reviews and carries out testing of compliance with policies, standards and procedures; and (b) tests the effectiveness of the internal control environment within the

Exchange. The Internal Auditor reports findings to the Audit Committee. The Internal Auditor's three-year contract expired at the end of 2021, and due to rotation purposes, the Exchange is currently in the process of appointing a new outsourced Internal Auditor for another period of three years starting during 2022.

Additionally, the Internal Audit Working Committee meets periodically to discuss specific procedures and performs tests of control on selected areas. The Internal Audit Working Committee is made up of the Chief HR and Facilities Officer, the Assistant General Manager Board and Executive Secretariat, Assistant General Manager IT, Manager Compliance and Manager CSD. The Internal Audit Working Committee reports findings to the Audit Committee.

Annual General Meeting

The Annual General Meeting (AGM) is called with a 14-day notice and is conducted in accordance with the Companies Act and the Exchange's Memorandum and Articles of Association. At an AGM, what is termed as "ordinary business" is transacted, namely declaring a dividend, the consideration of the accounts, balance sheets, and the reports of the Directors and the auditors, the election of the Directors in the place of those retiring and the appointment of and the fixing of the remuneration of the Directors and the auditors. Other business that may be transacted at a general meeting (including at the Annual General Meeting) will be dealt with as "Special Business".

No business shall be transacted at any general meeting unless a quorum of members is present in person or by proxy at the time when the meeting proceeds to business. When a member or members present in person or by proxy holding at least fifty-one per cent (51%) of the voting rights of the ordinary shares in the Company there shall be a quorum. The Chairman of the Board of Directors shall preside as chairman at every general meeting of the Exchange, unless as prescribed within the Articles of Association, the Directors present shall elect one of their number to be chairman of the meeting. At any general meeting a resolution put to the vote at the meeting shall be determined and decided upon by a show of hands.



The background features a series of overlapping, curved shapes in various shades of blue (light blue, medium blue, and dark blue) and white. The shapes are organic and flowing, creating a modern, architectural feel. The text is positioned within one of the medium blue curved areas.

DIRECTORS' REPORT



DIRECTORS' REPORT

For the Year Ended 31 December 2021

The directors have prepared this directors' report in accordance with article 177 of the Companies Act, 1995 (Chapter 386, Laws of Malta), including the further provisions as set out in the Sixth Schedule, together with the financial statements of Malta Stock Exchange plc (the "Company" or the "Exchange"), for the year ended 31 December 2021.

Principal activity, risks and uncertainties

The Company was set up with the principal objective to maintain facilities to ensure an orderly and efficient marketplace for securities' trading. The Company also provides clearing, settlement, depository and other security-related services.

The Company is subject to a number of risks and uncertainties, many of which are out of its control. A severe slowdown in economic conditions locally may have a negative effect on share and bond prices, putting pressure on market capitalisations and adversely affecting the Company's revenues.

Likewise, should a local company experience a credit default, investor appetite for corporate bonds will diminish. Also, given that the Maltese Treasury is the Company's largest revenue source, any curtailment of Maltese Government debt issuance will have a deleterious effect on earnings.

There are also the risks of foreign stock exchanges, and local entrants competing with the Company locally. Technological innovations within the Fintech sector and adverse regulatory changes could also put pressure on the Company's earnings. Reputational issues, litigation and adverse court rulings could also negatively affect the Company.

The Covid-19 pandemic and its effects on the local and global economies continues to affect customers, and the future effects of the outbreak remain uncertain, although indications show an improved position resulting from the vaccination programmes. In response to the crisis, the Maltese Government and the Central Bank of Malta have deployed, and continue to deploy, extensive measures to support the economy. These measures are expected to be unwound gradually as the economic activity increases.

There remains a degree of uncertainty associated with economic forecasts in the current environment and significant risks remain. The Directors have considered information relating to present and future conditions that the global Covid-19 pandemic has had on the Company's operations. The Company remained resilient during this challenging period and attained good results, while supporting its customers throughout the Covid-19 outbreak. Management adapted new operational processes as

necessary, while maintaining the same levels of service to customers. The balance sheet and liquidity of the Company remained strong.

Towards the end of February 2022, the armed conflict between the Russian Federation and Ukraine set in motion a chain of diplomatic efforts and other major geopolitical events which led a number of western nations, including the EU institution and the United States government, to impose a number of sanctions on Russia and Belarus. These current sanctions in place include several restrictive measures of a direct financial nature that are having a significant direct impact on the broad economy of the invading nations, as well as resulting in a downgrading of their sovereign and private debt by international credit rating agencies.

The consequences of these restrictive measures are however also expected to have a significant impact on the economies of the countries implementing such trade restrictions, with a spill-over on the world economy, as uncertainty and market volatility remain high across all industries with increasing tensions and rhetoric on both sides. The cost of doing business is undoubtedly set to rise further, following the initial Covid shocks on the global economy seen in the last couple of years, as the ongoing conflict in Ukraine and Covid-related measures continue to rock global supply chains. Both the International Monetary Fund and the World Bank have indicated that the resulting impact of the conflict to global growth and recovery from Covid effects will be significant. As the price of oil and gas shift upwards due to the war, transport and other procurement costs required for business will also increase.

Due to the nature and decisiveness of these restrictive measures, the economic impact globally is expected to be long-lasting, even in the eventuality that the conflict ceases in the immediate future. The dynamics of international trade between the EU, the USA and Asia will change forever.

The Company is not expected to be immediately negatively impacted by the ongoing conflict in Ukraine because our services are not directly related to the global supply chain. However, management together with the directors, continue to actively monitor all developments taking place internationally in order to take any action that might be necessary in the eventuality that developments in the conflict start to impact the Company's turnover and business activity.

The Company is nevertheless expected to be negatively impacted in the short to medium term as costs are expected to rise generally throughout the economies and the industries in which it operates.

Review of business development and financial position

During 2021, the Company generated a profit before tax of EUR 4,174,472 (2020: EUR 3,673,440). Total assets as at 31 December 2021 stood at EUR 12,927,050 (2020: EUR 14,128,714) while Capital and Reserves stood at EUR 10,139,477 (2020: EUR 11,119,150). The Statement of Profit or Loss and Other Comprehensive Income is set out on page 61 and the movements in the reserves are disclosed in the Statement of Changes in Equity on page 62.

Dividends

The Company paid total net dividends of EUR 3,700,000 (2020: EUR 1,500,000). The Directors do not propose further dividend distributions for the year.

Reserves

The Directors propose that retained earnings amounting to EUR 7,574,659 (2020: EUR 8,584,480) be carried forward to the next financial year.

Regulatory sanctions

The Directors confirm that no regulatory breaches were reported in 2021 and no regulatory sanctions were imposed on the Malta Stock Exchange plc by the Competent Authority during the year.

Events after the reporting date

No adjusting or other significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation of these financial statements by the Board.

Future developments

It is the Company's intention to focus its efforts on discovering and developing additional areas of revenue over the coming years and to focus its business and product development efforts within the Fintech space. The Exchange will continue to execute on its public relations and international promotion strategy with a view to expand its business locally and overseas. The Exchange will also continue to actively explore opportunities and synergies within the Maltese capital markets and will continue to improve efficiency and growth in the now established operations of Prospects MTF, the Malta Stock Exchange Institute and the local fund management industry.

Directors

The directors who served the Company during the year were:

Mr Joseph Portelli (Chairman);
Prof. Joseph Falzon (Deputy Chairman);
Mr Steven Tedesco;
Dr Stephanie Fabri (appointed on 16 November 2021);
Dr Abdalla Kablan (resigned on 16 August 2021); and
Prof. Tanya Sammut-Bonnici (resigned on 13 August 2021).

In accordance, with the Company's Articles of Association, the present directors are to remain in office.

Auditors

A resolution to reappoint Grant Thornton as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors on 25 April 2022 and signed on its behalf by:



JOSEPH PORTELLI
Chairman



JOSEPH FALZON
Deputy Chairman

Registered office
Garrison Chapel
Castille Place
Valletta VLT 1063
Malta



DIRECTORS' RESPONSIBILITIES

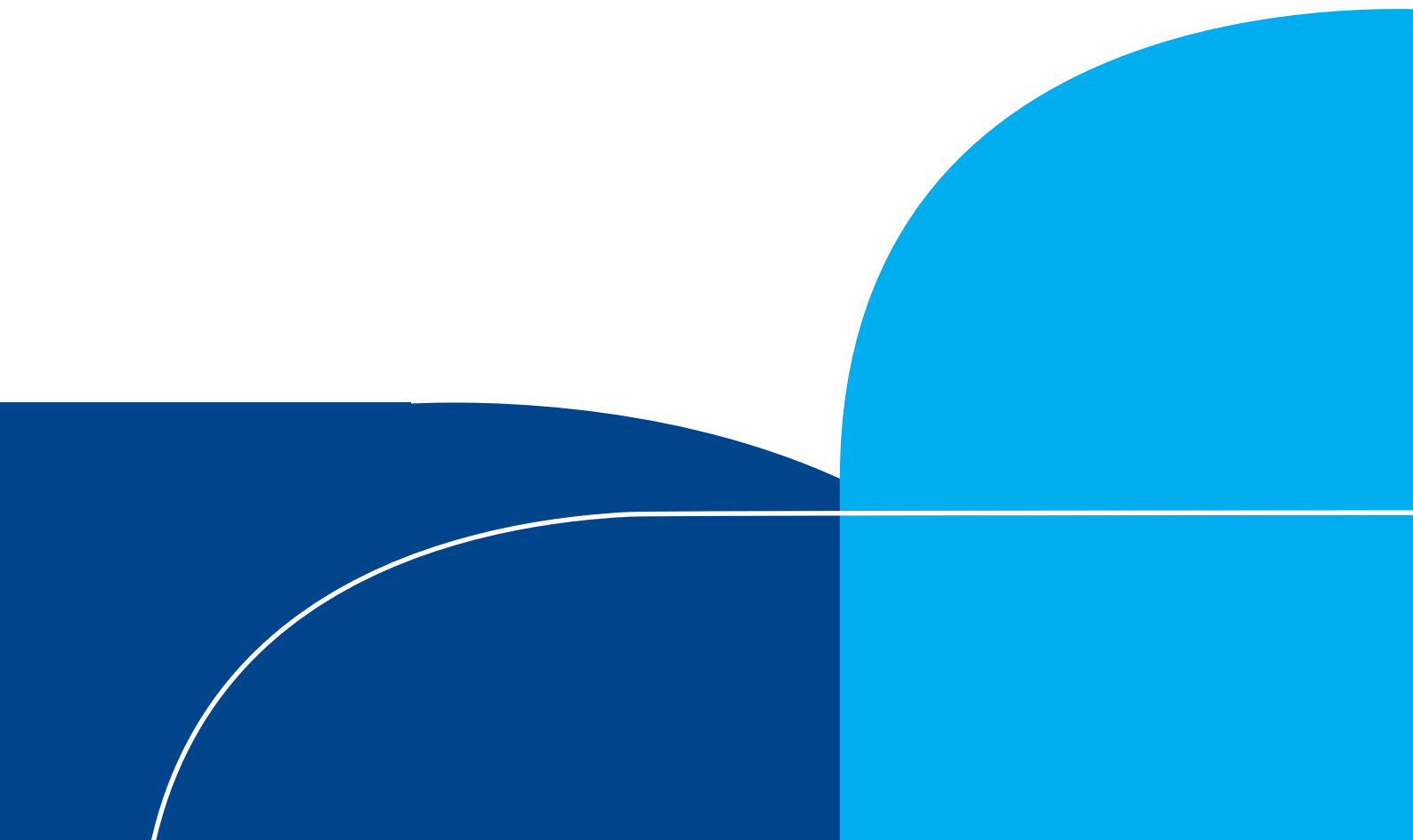


DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to:

- adopt the going concern basis unless it is inappropriate to presume that the Company will continue in business;
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- account for income and charges relating to the accounting period on the accruals basis;
- value separately the components of asset and liability items; and
- report comparative figures corresponding to those of the preceding accounting period.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, Cap 386 enacted in Malta. This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.







AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 2021

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	2021 EUR	2020 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	5	718,236	916,115
Intangible assets	6	34,092	38,696
Financial assets at FVOCI	7	914,966	472,890
Deferred tax asset	8	66,810	67,374
Other financial assets	9	1,200,000	2,400,000
		2,934,104	3,895,075
Current assets			
Trade and other receivables	10	3,159,388	2,451,167
Cash and cash equivalents	11	4,424,558	6,523,472
Other financial assets	9	2,409,000	1,259,000
		9,992,946	10,233,639
TOTAL ASSETS		12,927,050	14,128,714
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12.1	2,500,000	2,500,000
Fair value reserve	12.3	19,353	6,259
Social responsibility fund	12.4	45,465	28,411
Retained earnings		7,574,659	8,584,480
		10,139,477	11,119,150
Non-current liability			
Lease liabilities	15	125,455	256,184
		125,455	256,184
Current liabilities			
Bank borrowings	13	3,474	1,426
Trade and other payables	14	2,264,448	2,580,791
Lease liabilities	15	130,729	128,925
Current tax liability		263,467	42,238
		2,662,118	2,753,380
Total liabilities		2,787,573	3,009,564
TOTAL EQUITY AND LIABILITIES		12,927,050	14,128,714

The accounting policies and explanatory notes found on pages 64 to 83 form an integral part of the financial statements.

The financial statements on pages 59 to 83 have been authorised for issue by the Board of Directors on 25 April 2022 and were signed on its behalf by:



JOSEPH PORTELLI
Chairman



JOSEPH FALZON
Deputy Chairman

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 EUR	2020 EUR
Revenue	16	7,409,291	7,008,779
Cost of revenue	17	(172,124)	(179,458)
Gross profit		7,237,167	6,829,321
Administrative expenses	17	(3,120,095)	(3,174,299)
Write-offs and impairment allowances		(48,019)	(53,426)
Write-off of property, plant and equipment and intangible assets		(13,996)	-
Operating profit		4,055,057	3,601,596
Rental income		70,400	23,913
Income from financial assets at FVOCI	18	20,848	17,156
Finance income	19	48,321	53,214
Finance costs	19	(20,154)	(22,197)
Share of loss in equity accounted investee		-	(242)
Profit before tax		4,174,472	3,673,440
Income tax expense	20	(1,467,239)	(1,298,595)
Profit for the year		2,707,233	2,374,845
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Financial assets at FVOCI:			
Net fair value gains		13,094	5,854
Other comprehensive gain for the year		13,094	5,854
Total comprehensive income for the year		2,720,327	2,380,699

The accounting policies and explanatory notes found on pages 64 to 83 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Notes	Issued capital EUR	Fair value reserve EUR	Social responsibility fund EUR	Retained earnings EUR	Total EUR
At 1 January 2020		2,500,000	405	21,580	7,716,466	10,238,451
Profit for the year		-	-	-	2,374,845	2,374,845
Other comprehensive gain for the year		-	5,854	-	-	5,854
Total comprehensive income		-	5,854	-	2,374,845	2,380,699
Net movement for the year	12.4	-	-	6,831	(6,831)	-
Transactions with owners of the Company						
Contributions and distributions						
Dividends declared and paid	12.2	-	-	-	(1,500,000)	(1,500,000)
At 31 December 2020		2,500,000	6,259	28,411	8,584,480	11,119,150
At 1 January 2021		2,500,000	6,259	28,411	8,584,480	11,119,150
Profit for the year		-	-	-	2,707,233	2,707,233
Other comprehensive gain for the year		-	13,094	-	-	13,094
Total comprehensive income		-	13,094	-	2,707,233	2,720,327
Net movement for the year	12.4	-	-	17,054	(17,054)	-
Transactions with owners of the Company						
Contributions and distributions						
Dividends declared and paid	12.2	-	-	-	(3,700,000)	(3,700,000)
At 31 December 2021		2,500,000	19,353	45,465	7,574,659	10,139,477

The accounting policies and explanatory notes found on pages 64 to 83 form an integral part of the financial statements.

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Notes	2021 EUR	2020 EUR
Operating activities			
Profit before tax		4,174,472	3,673,440
Adjustments for:			
Depreciation of property, plant and equipment	5	220,945	258,391
Amortisation of intangible assets	6	16,466	15,881
Finance income	18/19	(69,169)	(70,370)
Finance costs	19	20,154	22,197
Write offs of property, plant and equipment and intangible assets		13,996	-
Share of loss in equity accounted investee		-	242
Write offs and impairment allowances		48,019	53,426
		4,424,883	3,953,207
Changes in:			
Trade and other receivables		(760,050)	(180,007)
Trade and other payables		(316,343)	(24,469)
Cash generated from operating activities		3,348,490	3,748,731
Income taxes paid		(1,245,446)	(1,223,695)
Net cash flows from operating activities		2,103,044	2,525,036
Investing activities			
Acquisition of property, plant and equipment	5	(37,106)	(95,130)
Acquisition of intangible assets	6	(11,818)	(2,410)
Acquisition of financial assets at FVOCI		(429,292)	-
Proceeds from liquidation of equity-accounted investee		-	10,236
Interest received		73,289	72,183
Maturity of term deposits		1,250,000	875,000
Placements of term deposits		(1,200,000)	(500,000)
Net cash flows (used in) / from investing activities		(354,927)	359,879
Financing activities			
Dividends paid		(3,700,000)	(1,500,000)
Payments of lease liabilities		(128,925)	(121,082)
Interest paid		(20,154)	(22,197)
Cash flows used in financing activities		(3,849,079)	(1,643,279)
Net (decrease) / increase in cash and cash equivalents		(2,100,962)	1,241,636
Cash and cash equivalents at 1 January		6,522,046	5,280,410
Cash and cash equivalents at 31 December	11	4,421,084	6,522,046

The accounting policies and explanatory notes found on pages 64 to 83 form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 Reporting Entity

Malta Stock Exchange plc ("the Company") is a public limited company domiciled and incorporated in Malta.

2 Basis Of Preparation

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). They have also been drawn up in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta) ("the Act").

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Company has the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered information relating to present and future conditions, including the impact which the Covid-19 pandemic has had globally and on the Company's operations, and the consequences of the armed conflict between the Russian Federation and Ukraine that led a number of western nations to impose sanctions on Russia and Belarus.

The Company remained resilient during this challenging period and attained good results, while it continued to support its customers throughout the Covid-19 outbreak. Management adapted new operational processes as necessary, while maintaining the same levels of service to customers. The balance sheet and liquidity of the Company remained strong and although there is still uncertainty associated with economic forecasts that may impact the Company and its customers, the Directors believe that the current levels of profitability, capital and liquidity will be retained for the foreseeable future.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that debt investments are measured at fair value.

2.3 Functional and presentation currency

These financial statements are presented in EURO (EUR) which is the Company's functional currency.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their descriptions as significant and critical in terms of the requirements of IAS 1 Presentation of Financial Statements.

The financial statements have been prepared using the measurement bases specified by IFRSs for each type of asset, liability, income and expense. The measurement bases are more fully described in the accounting policies below.

The accounting policies have been applied consistently during the years presented in these financial statements.

The financial statements are presented in accordance with IAS 1 *Presentation of Financial Statements (Revised 2007)*.

During 2021 the Company finalised the implementation of a new fixed assets module, whereby certain items of property, plant and equipment and intangible assets were reclassified to different asset classes as a result of a change in the expected future economic benefits. Other property, plant and equipment and intangible assets were written off given that these assets were put out of use with no further future economic benefits expected. These reclassification adjustments and write-offs are disclosed in Notes 5 and 6.

3 Significant Accounting Policies

3.1 Property, plant and equipment

3.1.1 Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognises such parts as individual assets with specific useful lives and

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 Significant Accounting Policies (continued)

3.1 Property, plant and equipment (continued)

3.1.1 Property, plant and equipment (continued)

depreciation, respectively. Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance costs are recognised in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Improvements to premises	10 years
General electrical equipment	15 years
Computer hardware	5 years
Office furniture, fittings and other equipment	6 to 10 years
Land and buildings	5 years
Motor vehicles	5 to 7 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and adjusted prospectively, if appropriate.

3.1.2 Land and buildings and motor vehicles

Land and buildings and motor vehicles represent the right-of-use assets recognised on the application of IFRS 16. The accounting policy for these assets is explained in note 3.11.

3.2 Intangible assets

Intangible assets represent software licences acquired by the Company and which have finite useful lives. Intangible assets are measured at cost less accumulated amortisation and accumulated impairment losses, if any.

3.2.1 Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

3.2.2 Amortisation

Amortisation is based on the cost of an asset less its residual value. Amortisation is recognised in profit or loss on the straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use. The estimated useful life for the current and comparative periods for software licenses is of 5 years. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.3 Financial instruments

3.3.1 Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at transaction price.

3.3.2 Classification and subsequent measurement

Financial assets

Financial assets, other than those designated and effective as hedging instruments are classified into the following categories:

- Amortised cost;
- Fair value through profit or loss (FVTPL);
- Fair value through other comprehensive income (FVOCI).

In the years presented, the Company does not have any financial assets categorised as FVTPL. The Company classifies its financial assets into one of the following categories:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 Significant Accounting Policies (continued)

3.3 Financial instruments (continued)

3.3.2 Classification and subsequent measurement (continued)

Financial assets (continued)

amortised cost (which includes trade and other receivables excluding prepayments and non-interest accrued income, other financial assets and cash and cash equivalents) and FVOCI (debt investments).

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objectives is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

Financial assets – Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model and how these risks are managed;
- How managers of the business are compensated; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets.

Financial assets – Subsequent measurement and gains and losses

Financial assets at FVTPL – These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost – These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI – These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 Significant Accounting Policies (continued)

3.3 Financial instruments (continued)

3.3.2 Classification and subsequent measurement (continued)

Financial assets – Subsequent measurement and gains and losses (continued)

Equity investments at FVOCI – These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade and other receivables which is presented as impairment allowances in the Statement of Profit or Loss and Other Comprehensive Income.

Financial liabilities – Classification, subsequent measurement and gains and losses

The Company's financial liabilities include bank borrowings, trade and other payables excluding deferred income and statutory liabilities, and lease liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted per transaction costs unless the Company designates a financial liability at FVTPL. Subsequently, financial liabilities are measured at amortised cost using the effective interest method. All interest related charges are reported in profit or loss.

3.3.3 Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

3.3.4 Offsetting

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when, and only when, the Company, currently has a legally enforceable right to set off the amounts and there is an intention either to settle them on a net basis, or to realise the asset and settle the liability simultaneously.

3.4 Equity, reserves and dividend distribution

Share capital represents the nominal value of shares that have been issued. Retained earnings include all current and prior period results less dividend distributions and transfers to the Social responsibility fund.

Dividend distribution payable to equity shareholders is included under short-term financial liabilities when the dividends are approved at the general meeting prior to the end of the reporting period.

Fair value reserve represents accumulated gains and losses relating to changes in fair value of financial assets at FVOCI.

Social responsibility fund represents the net amount of funds set aside by the Company for the purposes of supporting educational, philanthropic and cultural causes as well as to support the maintenance and refurbishment of Malta's historical heritage.

3.5 Impairment

3.5.1 Financial assets

The Company recognises loss allowances for Expected Credit Losses ("ECLs") on: financial assets measured at amortised cost and on financial assets at FVOCI.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- Debt investments that are determined to have low credit risk at the reporting date; and
- Other debt investments and bank balances for which credit risk has not increased significantly since initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 Significant Accounting Policies *(continued)*

3.5 Impairment *(continued)*

3.5.1 Financial assets *(continued)*

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

At each reporting date, the Company assesses whether financial assets carried at amortised cost and financial assets at FVOCI are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

3.5.2 Property, plant and equipment and intangible assets

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and its value in use. To determine the value in use, management estimates expected future cash flows from each cash-generating unit and determines a suitable interest rate in order to calculate the present value of those cash flows. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses are recognised immediately in profit or loss. Impairment losses for cash-generating units are charged pro rata to the assets in the cash-generating unit. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment charge that has been recognised is reversed if the cash-generating unit's recoverable amount exceeds its carrying amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

3.6 Cash and cash equivalents

Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purposes of the Statement of Financial Position, cash and cash equivalents consist of cash in hand and demand deposits at banks. Cash and cash equivalents presented in the Statement of Cash Flows is net of bank borrowings.

3.7 Taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax expense are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 Significant Accounting Policies (continued)

3.7 Taxes (continued)

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset only if certain criteria are met.

3.8 Revenue and expenses recognition

3.8.1 Revenue

Revenue arises mainly from fees received from members and stockbrokers and fees received related to listing, clearing, registration and trading of quoted and admitted securities and other related services.

To determine whether to recognise revenue, the Company follows a five-step process:

- Identifying the contract with a customer;
- Identifying the performance obligations;
- Determining the transaction price;
- Allocating the transaction price to the performance obligations;
- Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is measured based on the consideration specified in Exchange Notice 1 – Fees and Charges published by the Company. The Company recognises revenue either at a point in time or over time when it satisfies the performance obligations of the services delivered to counter parties. Deferred income is reported under Trade and other payables in the Statement of Financial Position.

Rental income

Rental income from short-term rental agreements is recognised on a straight-line basis over the term specified in the agreement.

Finance income

Finance income is accounted for on an accruals basis by reference to the principal amounts and the applicable interest rates.

3.8.2 Expenses

Expenses are recognised in the Statement of Profit or Loss and Other Comprehensive Income upon utilisation of the service or at the date of their origin.

3.9 Employee benefits

The entity pays fixed contributions towards the State pension in accordance with local legislation and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which the services are rendered by the employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

3.10 Provisions

Provisions are recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where it is expected that part or all of a provision is to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is recognised in profit or loss net of any reimbursement.

3.11 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16.

Company as a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 Significant Accounting Policies (continued)

3.11 Leases (continued)

Company as a lessee (continued)

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment and lease liabilities under current and non-current liabilities in the Statement of Financial Position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

3.12 New or revised standards or interpretations

3.12.1 New standards adopted as at 1 January 2021

Some accounting pronouncements which have become effective from 1 January 2021 and have therefore been adopted do not have a significant impact on the Company's financial results or position. Accordingly, the Company has made no changes to its accounting policies in 2021.

Other Standards and amendments that are effective for the first time in 2021 and that could be applicable to the Company are: Covid-19 related rent concessions beyond 30 June 2021 (amendments to IFRS 16) and Interest rate benchmark reform Phase 2 (amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16). These amendments do not have a significant impact on these financial statements and therefore no additional disclosures have been made.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

3 Significant Accounting Policies (continued)

3.12 New or revised standards or interpretations (continued)

3.12.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Company

At the date of authorisation of these financial statements, several new, but not yet effective, standards, amendments and interpretations to existing standards have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Company.

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company's financial statements.

4 Determination Of Fair Values

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for both measurement and disclosure purposes only based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

4.1 Debt investments

The fair value of debt investments is determined by reference to their quoted closing bid price at the reporting date.

4.2 Lease liabilities

The fair value of lease liabilities is calculated based on the present value of future principal and interest cash flows, discounted at the interest rate implicit in the lease / incremental borrowing rate.

4.3 Other financial assets and liabilities

The fair values of the other financial assets and liabilities measured at cost are not different from their carrying amount, in view of their short-term nature.

5 Property, Plant And Equipment

	Land & Buildings EUR	Improvements to Premises EUR	General Electrical Equipment EUR	Computer Hardware EUR	Office Furniture, Fittings and Other Equipment EUR	Motor Vehicles EUR	Total EUR
Cost							
At 1 January 2020	543,629	435,454	1,258,588	897,545	972,203	57,749	4,165,168
Additions	-	29,409	30,044	7,970	27,707	31,443	126,573
At 31 December 2020	543,629	464,863	1,288,632	905,515	999,910	89,192	4,291,741
At 1 January 2021	543,629	464,863	1,288,632	905,515	999,910	89,192	4,291,741
Reclassifications	-	(89,955)	64,961	2,056	23,203	-	265
As reclassified	543,629	374,908	1,353,593	907,571	1,023,113	89,192	4,292,006
Additions	-	6,251	15,006	10,934	4,915	-	37,106
Write-offs	-	(47,011)	(318,637)	(535,536)	(304,175)	-	(1,205,359)
At 31 December 2021	543,629	334,148	1,049,962	382,969	723,853	89,192	3,123,753

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

5 Property, Plant And Equipment (continued)

	Land & Buildings EUR	Improvements to Premises EUR	General Electrical Equipment EUR	Computer Hardware EUR	Office Furniture, Fittings and Other Equipment EUR	Motor Vehicles EUR	Total EUR
Accumulated depreciation							
At 1 January 2020	115,433	173,147	1,130,975	807,663	878,311	11,706	3,117,235
Depreciation charge for the year	115,440	44,396	14,764	49,877	19,291	14,623	258,391
At 31 December 2020	230,873	217,543	1,145,739	857,540	897,602	26,329	3,375,626
At 1 January 2021	230,873	217,543	1,145,739	857,540	897,602	26,329	3,375,626
Reclassifications	-	(49,892)	37,244	618	12,182	-	152
As reclassified	230,873	167,651	1,182,983	858,158	909,784	26,329	3,375,778
Depreciation charge for the year	115,440	32,699	9,142	25,535	20,057	18,072	220,945
Write-offs	-	(30,704)	(314,613)	(534,194)	(311,695)	-	(1,191,206)
At 31 December 2021	346,313	169,646	877,512	349,499	618,146	44,401	2,405,517
Carrying amount							
At 1 January 2020	428,196	262,307	127,613	89,882	93,892	46,043	1,047,933
At 31 December 2020	312,756	247,320	142,893	47,975	102,308	62,863	916,115
At 1 January 2021	312,756	247,320	142,893	47,975	102,308	62,863	916,115
At 31 December 2021	197,316	164,502	172,450	33,470	105,707	44,791	718,236

6 Intangible Assets

	Computer Software EUR
Cost	
At 1 January 2020	1,173,087
Additions	2,410
At 31 December 2020	1,175,497
At 1 January 2021	1,175,497
Reclassifications	196,158
As reclassified	1,371,655
Additions	11,818
Write-offs	(459,031)
At 31 December 2021	924,442
Accumulated amortisation	
At 1 January 2020	1,120,920
Amortisation during the year	15,881
At 31 December 2020	1,136,801
At 1 January 2021	1,136,801
Reclassifications	196,271
As reclassified	1,333,072
Amortisation during the year	16,466
Write-offs	(459,188)
At 31 December 2021	890,350
Carrying amount	
At 1 January 2020	52,167
At 31 December 2020	38,696
At 1 January 2021	38,696
At 31 December 2021	34,092

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

7 Financial Assets at FVOCI

Financial assets at FVOCI

a. The fair value of the financial assets is as follows:

	2021 EUR	2020 EUR
Corporate Bonds	914,966	472,890
	914,966	472,890

b. The amortised cost of the financial assets is as follows:

	Effective interest rate %	2021 EUR	2020 EUR
Corporate Bonds	2.9 - 3.7	895,613	466,631
		895,613	466,631

c. The revaluation balance of the financial assets (recognised in equity) is as follows:

	2021 EUR	2020 EUR
Corporate Bonds	19,353	6,259
	19,353	6,259

8 Deferred Tax Asset

8.1 Recognised deferred tax asset

Deferred tax asset is attributable to the following:

	2021 EUR	2020 EUR
Plant and equipment	16,607	34,543
Accrued investment income	(1,864)	(2,436)
Impairment allowances	52,067	35,267
	66,810	67,374

8.2 Movement in temporary differences during the year

	Balance 01/01/2020 EUR	Recognised in profit or loss EUR	Balance 31/12/2020 EUR	Recognised in profit or loss EUR	Balance 31/12/2021 EUR
Plant and equipment	45,384	(10,841)	34,543	(17,936)	16,607
Accrued investment Income	(2,683)	247	(2,436)	572	(1,864)
Impairment allowances	19,775	15,492	35,267	16,800	52,067
	62,476	4,898	67,374	(564)	66,810

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

9 Other Financial Assets

	2021 EUR	2020 EUR
Non-current assets:		
Term deposits with remaining maturities of more than one year	1,200,000	2,400,000
Current assets:		
Term deposits with remaining maturities of less than one year	2,400,000	1,250,000
Short-term bank guarantee	9,000	9,000
	2,409,000	1,259,000

Term deposits earn interest at a weighted average interest rate of 1.34% (2020: 1.32%) per annum.

EUR 2,000,000 out of the total term deposits have been pledged against an overdraft facility which has not been utilised during the year. Post year-end, the overdraft facility was cancelled, and the pledges removed accordingly.

10 Trade And Other Receivables

	2021 EUR	2020 EUR
Fees receivable net of impairment allowances (note 10.1)	2,579,429	2,206,903
Amounts due from related parties (note 10.2)	412,569	118,751
Prepayments and accrued income	167,390	116,638
Other receivables	-	8,875
	3,159,388	2,451,167

Information about the Company's exposure to credit risk and impairment losses on trade receivables is included in note 23.1.

10.1 As at the reporting date, the ageing analysis of fees receivable is as follows:

	Total EUR	Neither Past due nor impaired EUR	Past due but not impaired		
			>30 days EUR	60-90 days EUR	90 days and older EUR
2021	2,579,429	1,819,404	123,742	99,452	536,831
2020	2,206,903	1,593,042	262,751	75,480	275,630

Fees receivable, which are neither past due nor impaired, include trade receivables due from the Government of Malta, a related party, of EUR 462,144 (2020: EUR 447,227).

As at the reporting date, the Company had impairment allowances amounting to EUR 148,758 (2020: EUR 100,758). Given the extremely challenging economic period bestowed on the country during the Covid-19 pandemic, in 2020 the Company had revised its credit policy to extend the credit period for the settlement of invoices from 60 to 120 days, thus allowing further cash management flexibility to its debtors. Similar to the previous year, in 2021 this has led to an increase in the ageing of the Company's debtors. The Company expects to revise the credit period back to 60 days once the pandemic is over and economic growth returns to pre-Covid-19 levels.

10.2 Amounts due from related parties are unsecured, non-interest bearing and have no fixed date of repayment. The balance as at 31 December 2021 comprises EUR 412,569 (2020: EUR 86,199) due from Malta Stock Exchange Institute Limited. In the previous year, an amount of EUR 32,552 was due from MSX plc.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

11 Cash And Cash Equivalents

	2021 EUR	2020 EUR
Cash at banks	4,424,415	6,522,807
Cash in hand	143	665
Cash and cash equivalents as shown in the Statement of Financial Position	4,424,558	6,523,472
Bank borrowings (note 13)	(3,474)	(1,426)
Cash and cash equivalents as shown in the Statement of Cash Flows	4,421,084	6,522,046

12 Capital and Reserves

12.1 Share Capital

	2021 EUR	2020 EUR
Authorised		
5,000,000 ordinary shares of EUR 1 each	5,000,000	5,000,000
Issued and fully paid up		
2,500,000 ordinary shares of EUR 1 each	2,500,000	2,500,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

12.2 Dividends

	2021 EUR	2020 EUR
Declared and paid during the year:		
Dividend on ordinary shares for 2021: EUR 1.48 (2020: EUR 0.60)	3,700,000	1,500,000

12.3 Fair value reserve

Fair value reserve comprises net fair value gains and losses recognised in OCI not available for distribution.

12.4 Social responsibility fund

The Company has setup a Social Responsibility Fund for the purpose of supporting educational, philanthropic and cultural causes as well as to support the maintenance and refurbishment of Malta's historical heritage. An annual contribution of EUR 20,304 (2020: EUR 17,811) was transferred from retained earnings into the Social Responsibility Fund. Any payments from such Social Responsibility Fund are subject to approval by the Board of Directors. As payments are effected, the expense is recognised in profit or loss with an equivalent transfer from the Social Responsibility Fund to retained earnings. The amount utilised during the year out of this Fund amounted to EUR 3,250 (2020: EUR 10,980).

13 Bank Borrowings

	2021 EUR	2020 EUR
Bank borrowings	3,474	1,426

These amounts represent overdrawn balances on credit card accounts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

14 Trade and Other Payables

	2021 EUR	2020 EUR
Trade payables (note 14.1)	15,489	34,399
Amounts due to related parties (note 14.2)	101,467	633,187
Deferred income	1,572,420	1,439,517
Accruals and other payables	186,679	165,375
Other taxes	388,393	308,313
	2,264,448	2,580,791

14.1 Trade payables are non-interest bearing and are normally settled on 60-day term.

14.2 Amounts due to related parties are unsecured, non-interest bearing and repayable on demand. These amounts include EUR 89,331 (2020: EUR 387,242) due to MSE (Holdings) Ltd and EUR 12,136 (2020: EUR Nil) due to MSX plc. An amount of EUR 245,945 was due to the Government of Malta in 2020 and was repaid in full during the year.

15 Leases

15.1 Lease liabilities are presented in the Statement of Financial Position as follows:

	2021 EUR	2020 EUR
Non-current	125,455	256,184
Current	130,729	128,925
	256,184	385,109

15.2 The Company leases its office premises from its parent company for a period of five years, after which period the lease may be renewed. The annual rent on the property is currently EUR 90,000 (2020: EUR 90,000). The Company also leases its secondary site from a third party for a period of 10 years, after which period the lease may be renewed. The property is subject to an annual rent of EUR 29,500 with an increase of 1.5% every year on the rent due during the immediately preceding year of the lease, currently at EUR 32,257 (2020: EUR 31,780). Additionally, the Company leases three cars from third parties, for periods between five to seven years.

These leases are recognised as land and buildings and motor vehicles (right-of-use assets) under property, plant and equipment and lease liabilities in the Statement of Financial Position.

For leases over premises, the Company must keep the properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure and incur maintenance fees on such properties in accordance with the lease agreements.

15.3 The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised in the Statement of Financial Position:

Right-of-use assets	Office premises	Secondary site	Motor vehicles
No of right-of-use-assets leased	1	1	3
Range of remaining term (years)	1.2	3.5	1.5 - 5
Average remaining lease term (years)	1.2	3.5	2.6

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

15 Leases (continued)

15.4 The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 31 December were as follows:

	Not later than one year EUR	Later than one year but not later than five years EUR	Later than five years EUR	Total EUR
2021				
Lease payments	144,734	139,771	-	284,505
Finance charges	(14,005)	(14,316)	-	(28,321)
Net present values	130,729	125,455	-	256,184
2020				
Lease payments	149,081	284,505	-	433,586
Finance charges	(20,156)	(28,321)	-	(48,477)
Net present values	128,925	256,184	-	385,109

Finance charges recognised by the Company during the year amounted to EUR 20,154 (2020: EUR 22,197).

15.5 The Company has elected not to recognise right-of-use assets and corresponding lease liabilities for its leases of other motor vehicles classified as short-term leases (leases with effective term of 12 months or less). Payments made under such leases are expensed on a straight-line basis and amounted to EUR 8,000 (2020: EUR 17,590). These short-term leases are included as part of administrative expenses in the Statement of Profit or Loss and Other Comprehensive Income.

15.6 Additional information on the right-of-use asset as at 31 December:

	Carrying amount (note 5) EUR	Depreciation expense (note 5) EUR	Impairment EUR
2021			
Land and buildings	197,316	115,440	-
Motor vehicles	44,791	18,072	-
2020			
Land and buildings	312,756	115,440	-
Motor vehicles	62,863	114,623	-

16 Revenue

The Company's income from its main activities was as follows:

	2021 EUR	2020 EUR
Listing fees	4,905,808	4,516,206
Register fees	1,374,802	1,312,184
Turnover fees	262,942	248,704
Stockbrokers' fees	34,525	36,326
Other fees	831,214	895,359
	7,409,291	7,008,779

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

17 Cost of Revenue and Administrative Expenses

	2021 EUR	2020 EUR
<i>Cost of revenue</i>		
Variable trading fees	172,124	179,458
<i>Administrative expenses</i>		
Emoluments of the Chairman and other board members	21,300	22,600
Salaries, social security and other staff costs (note 17.1)	1,868,560	1,914,457
Rent	5,731	15,396
Auditors' remuneration	8,000	8,000
Depreciation of property, plant and equipment	220,945	258,391
Amortisation of intangible assets	16,466	15,881
Other expenses	979,093	939,574
	3,120,095	3,174,299

Other expenses include other non-audit services payable to the Company's auditors amounting to EUR 750 excluding VAT (2020: EUR 1,750).

17.1 Employee information

17.1.1 Salaries, social security and other staff costs

	2021 EUR	2020 EUR
Wages and salaries	1,734,568	1,780,764
Social security costs	117,212	112,710
Other staff costs	16,780	20,983
	1,868,560	1,914,457

17.1.2 Staff numbers

The average number of persons employed by the Company during the year was 51 (2020:52).

18 Income From Financial Assets at FVOCI

	2021 EUR	2020 EUR
Interest on financial assets at FVOCI	20,848	17,156
	20,848	17,156

19 Net Finance Income

	2021 EUR	2020 EUR
Finance income		
Interest on bank balances	48,321	53,214
Finance costs		
Interest on lease liabilities	(20,154)	(22,197)
Net finance income	28,167	31,017

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

20 Income Tax Expense

20.1

	2021 EUR	2020 EUR
Current tax expense	1,466,675	1,303,493
Deferred tax income (note 8.2)	564	(4,898)
Income tax expense	1,467,239	1,298,595

20.2 Reconciliation of effective tax rate

	2021 EUR	2020 EUR
Profit before tax	4,174,472	3,673,440
Tax at 35%	1,461,065	1,285,704
Adjustments for the tax effect of		
- amortisation of financial assets at FVOCI	109	58
- expenses not deductible for tax purposes	62,782	71,153
- expenses deductible for tax purposes	(42,821)	(44,297)
- income subject to lower rates of tax	(13,896)	(14,108)
- share of loss in equity accounted investee	-	85
Income tax expense	1,467,239	1,298,595

21 Immediate Parent and Ultimate Controlling Party

The immediate parent company of Malta Stock Exchange plc is MSE (Holdings) Ltd, a company registered in Malta having its registered address at Garrison Chapel, Castille Place, Valletta.

The ultimate controlling party of Malta Stock Exchange plc is the Government of Malta.

22 Related Party Transactions And Balances

The related parties of the Company with which the Company had balances outstanding as of 31 December 2021 or transactions during the year then ended were as follows:

- Government of Malta (ultimate controlling party)
- MSE (Holdings) Ltd (parent company)
- Malta Stock Exchange Institute Limited (other related company)
- MSX plc (other related company)

22.1 Related party transactions

Unless otherwise stated, none of the transactions with related parties incorporate special terms and no conditions and no guarantees were given or received.

During the year, the Company entered into various transactions with related parties, as follows:

		2021 EUR	2020 EUR
Revenue	Related Party		
Listing fees	Government of Malta	2,426,050	2,040,500
Register fees	Government of Malta	487,202	437,478
Amendments	Government of Malta	28,921	36,440
Registrar fees	Government of Malta	87,715	65,225
Dividends paid	MSE (Holdings) Ltd	3,699,999	1,500,000

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

22 Related Party Transactions And Balances (continued)

22.1 Related party transactions (continued)

Included in administrative expenses are salaries paid to the chairman and board members amounting to EUR 21,300 (2020: EUR 22,600).

The Company leases its office premises from its parent company MSE (Holdings) Ltd for an annual rent of EUR 90,000. Following the adoption of IFRS 16 *Leases*, the Company has recognised a *lease* liability and right-of-use asset at the net present value of the future lease payments for office premises, as disclosed in note 15.

22.2 Related party balances

The outstanding amounts at year end together with the related terms have been separately disclosed in notes 10 and 14.

23 Financial Risk Management Objectives and Policies

The Company is exposed to credit risk, market risk and liquidity risk through its use of financial instruments. The Company's risk management is discussed by the Risk Committee and the Board of Directors reviews and agrees policies for managing each of these risks. The Board of Directors focuses on actively securing the Company's short to medium term cash flows by minimising the exposure to financial risks.

The financial risks to which the Company may be exposed are described below. See also note 23.5 for a summary of the Company's financial assets and financial liabilities by category.

23.1 Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Financial assets which potentially subject the Company to credit risk consist principally of financial assets at FVOCI, trade and other receivables, other financial assets and cash and cash equivalents. The maximum exposure is the carrying amounts disclosed as follows:

	Notes	2021 EUR	2020 EUR
Classes of financial assets – carrying amounts:			
Financial assets at FVOCI	7a	914,966	472,890
Financial assets at amortised cost:			
Other financial assets	9	3,609,000	3,659,000
Trade and other receivables	10	2,991,998	2,325,654
Cash and cash equivalents	11	4,424,415	6,522,807
		11,940,379	12,980,351

The credit risk relating to financial assets at FVOCI is considered to be low in view of management's policy of investing only in high quality corporate securities which are listed on recognised stock exchanges.

The Company's cash and cash equivalents are placed with quality financial institutions rated at BBB- and A- (Standard and Poor's) where credit ratings are available.

Carrying amounts for fees receivables (included as part of trade and other receivables) are stated net of the necessary impairment allowances amounting to EUR 148,758 (2020: EUR 100,758).

The Company applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables, as these items do not have a significant financing component. The simplified approach takes into consideration past events, current conditions, and forecast information. Consequently, companies should consider forward-looking macro-economic factors and adjust the historical loss rates to reflect relevant future conditions. As at 31 December 2021, a Historical Default Rate (HDR) of 2.58% (2020: 1.48%) was calculated, which rate is based on actual credit loss experience over the past five years.

The HDR has been adjusted with the Forward-Looking Default Rate (FLDR) by industry in order to revise the Expected Credit Losses (ECLs). The adjustment to the HDR is necessary to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Company's view of economic conditions over the expected lives of the receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

23 Financial Risk Management Objectives and Policies *(continued)*

23.1 Credit risk *(continued)*

To arrive at the FLDR, the Yield to Maturity (YTM) of corporate bonds (which incorporates several risk components including country risk, industry risk, risk free rate, company specific risk and time specific risk) and the YTM of Malta Government Stocks (MGS) (which incorporates the country risk as well as the risk free rate) were calculated. The YTM of corporate bonds over a 12-month period (December 2021 versus December 2020), as adjusted by the YTM of MGS over the same period, represents the credit spread which inherently incorporates industry risk, company specific risk and time specific risk. The credit spread was computed by industry to ultimately apply the ECL to receivables sharing similar credit risk characteristics.

Following this, trade receivables were grouped by industry and the respective industry specific ECL was applied to the trade receivables balance as at 31 December 2021. The market average ECL rate stood at 2.42% (2020: 1.76%). Companies which were fully provided for through a specific provision were excluded from the calculation of ECL by industry, however the specific provision was subsequently added to the total ECL.

The Company's exposure to credit risk on its operations arises from activity exceeding 25% of its revenues. At year end the Company had EUR 462,144 (2020: EUR 447,227) owed by the Government of Malta representing 18% (2020: 20%) of the Company's total fee receivables. The Government of Malta generated EUR 3,029,888 (2020: EUR 2,579,643), representing 41% (2020: 37%), of the Company's total revenue.

23.2 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

23.2.1 Interest rate risk

The interest rates on debt investments at FVOCI and term deposits are disclosed in notes 7b and 9. Under the present interest rate scenario, a reasonably expected change in benchmarks is not expected to have any significant effect on the Company's financial assets and financial liabilities.

23.2.2 Currency risk and Other price risk

The Company is not exposed to currency risk because its assets and liabilities are all denominated in euro, its functional currency; therefore, changes in foreign exchange rates do not have an impact on the Company's financial instruments.

The Company is not exposed to other price risk because it does not have any equity investments.

23.3 Liquidity risk

The Company actively manages its risk of a shortage of funds by closely monitoring the maturity of both its financial investments and other receivables and projected cash flows from operations.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and proceeds from sale of financial assets at FVOCI. The presentation of the financial assets and financial liabilities listed above under the current and non-current headings within the Statement of Financial Position is intended to indicate the timing in which cash flows will arise.

The Company's financial liabilities have contractual maturities which are summarised below:

	Current		Non-current		
	Not later than one year EUR	Later than one year but not later than five years EUR	Later than five years EUR		Total EUR
At 31 December 2021					
Lease liabilities	144,734	139,771	-		284,505
Other payables	255,894	-	-		255,894
Bank borrowings	3,474	-	-		3,474
	404,102	139,771	-		543,873

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

23 Financial Risk Management Objectives and Policies (continued)

23.3 Liquidity risk (continued)

	Current	Later than one year but not later than five years	Non-current Later than five years	Total
	Not later than one year EUR	EUR	EUR	EUR
At 31 December 2020				
Lease liabilities	149,081	284,505	-	433,586
Other payables	789,434	-	-	789,434
Bank borrowings	1,426	-	-	1,426
	939,941	284,505	-	1,224,446

The above contractual maturities reflect the gross cash flows, which may differ from the carrying values of the financial liabilities at the reporting date.

23.4 Financial instruments measured at fair value

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of fair value hierarchy. This grouping is determined based on the lowest level of significant inputs used in fair value measurement, as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's debt investments are classified within the Level 1 category. There have been no significant transfers between levels in the reporting period.

The method and valuation technique used for the purpose of measuring fair values did not change from the previous reporting period.

23.5 Summary of financial assets and financial liabilities by category

The carrying amounts of the Company's financial assets and financial liabilities as recognised at the end of the reporting date under review may also be categorised as follows. See note 3.3 for explanations about how the category of financial instruments affects their subsequent measurement.

	Notes	2021 EUR	2020 EUR
Non-current assets			
Financial assets at FVOCI	7a	914,966	472,890
Financial assets at amortised cost:			
Other financial assets	9	1,200,000	2,400,000
		2,114,966	2,872,890
Current assets			
Financial assets at amortised cost:			
Trade and other receivables	10	2,991,998	2,325,654
Cash and cash equivalents	11	4,424,558	6,523,472
Other financial assets	9	2,409,000	1,259,000
		9,825,556	10,108,126

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

23 Financial Risk Management Objectives and Policies (continued)

23.5 Summary of financial assets and financial liabilities by category (continued)

	Notes	2021 EUR	2020 EUR
Non-current liability			
Financial liability at amortised cost:			
Lease liabilities	15	125,455	256,184
		125,455	256,184
Current liabilities			
Financial liabilities at amortised cost:			
Bank borrowings	13	3,474	1,426
Trade and other payables	14	255,894	789,434
Lease liabilities	15	130,729	128,925
		390,097	919,785

23.6 Capital Management

Capital includes equity less the fair value reserve comprising net gains on debt investments at FVOCI. The primary objective of the Company's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust its capital structure, the Company may adjust dividend payments to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or process during the year.

Externally imposed capital requirements

The Company is required to comply with the capital requirements as set by the Malta Financial Services Authority. Central securities depositories and Trading Venues are required to maintain own funds equal to or in excess of the capital requirements. The Company is required to have capital, together with its retained earnings and reserves, proportional to the risks stemming from the activities it undertakes.

Capital requirement is calculated in accordance with Rule 3-1.1 of the Financial Market Rules for Trading Venues, DRSPs and Central Securities Depositories.

During the year under review, the Company complied with all of the capital requirements as stipulated in the financial market rules for trading venues and central securities depositories.

24 Post Reporting Date Events

No adjusting or other significant non-adjusting events have occurred between the end of the reporting period and the date of authorisation of these financial statements by the Board.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Malta Stock Exchange plc

Report on audit of the financial statements

Opinion

We have audited the financial statements of Malta Stock Exchange plc (the "Company") set out on pages 59 to 83 which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with the requirements of International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU), and have been properly prepared in accordance with the requirements of the Companies Act, Cap 386 (the "Act").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act, Cap 281 that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises (i) the Chairman's message; (ii) the Chief Executive Officer's report; (iii) the Administration report; (iv) the Exchange operations and other activities; (v) the Statement of Compliance with the Code of Principles of Good Corporate Governance; (vi) the Directors' Report and (vii) the Directors' responsibilities which we obtained prior to the date of this auditor's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Act.

In addition, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and are properly prepared in accordance with the provisions of the Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with the ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

We also have responsibilities under the Companies Act, Cap 386 to report to you if, in our opinion:

- adequate accounting records have not been kept;
- the financial statements are not in agreement with the accounting records; and
- we have not received all the information and explanations we require for our audit.

We have nothing to report to you in respect of these responsibilities.

The engagement partner on the audit resulting in this independent auditor's report is Mark Bugeja.



Mark Bugeja (Partner) for and on behalf of

GRANT THORNTON Certified Public Accountants

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25 April 2022



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