



MALTA
STOCK EXCHANGE



ANNIVERSARY

**ANNUAL
REPORT**

2022



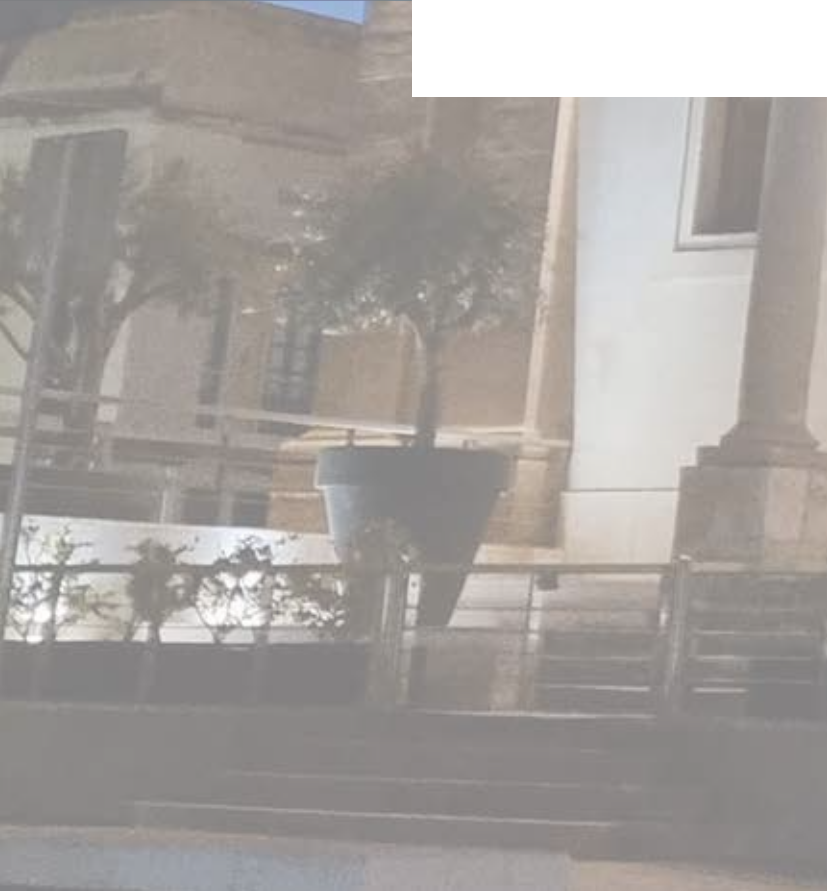


MALTA
STOCK EXCHANGE

30th
ANNIVERSARY

**ANNUAL
REPORT**

2022





MALTA

STOCK EXCHANGE

as at 31 December 2022

Board of Directors

Chairman

Deputy Chairman

Directors

Mr Joseph Portelli
Professor Joseph Falzon
Mr Steven Tedesco
Dr Stephanie Fabri
Mr Michael Parnis
Mr Maurice Gruppetta
Ms Marie Cordina

Company Secretary

Audit Committee

Chairman

Members

Mr Steven Tedesco
Mr Joseph Portelli
Dr Stephanie Fabri
Mr Michael Parnis
Ms Charmaine Baldacchino
Ms Claire Mula

Secretary

Risk Management Committee

Chairman

Members

Professor Joseph Falzon
Mr Joseph Portelli
Mr Maurice Gruppetta
Mr Simon Zammit
Mr Alfred Sammut
Ms Charmaine Baldacchino
Ms Marie Cordina
Ms Claire Mula

Secretary

Remuneration Committee

Chairman

Members

Mr Maurice Gruppetta
Mr Joseph Portelli
Professor Joseph Falzon
Mr Steven Tedesco
Dr Stephanie Fabri



VR27A	104.560	0.040
19/11	0.04%	



LETTER OF TRANSMITTAL

as at 31 December 2022

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

24 April 2023

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 2022.

Yours faithfully



Joseph Portelli
Chairman



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CHAIRMAN'S MESSAGE





CHAIRMAN'S MESSAGE

Thankfully 2022 saw the beginning of the end of the negative effects that the Covid-19 pandemic had on the Maltese economy as well as on society in general, with the operations of many organisations slowly shifting back to normal. Last year was by all standards a very successful one, during which we again registered record revenues and profitability. Likewise, we saw three new equities and a record 19 corporate bonds coming to the market.

The Malta Stock Exchange Group's underlying business performed very well last year, managing to increase revenue to €8,451,223, a significant increase of 11.8% over the previous year's Group revenue figure of €7,557,730. The main contributor to this positive result is the Malta Stock Exchange, together with a contribution from the Malta Stock Exchange Institute, both subsidiaries of MSE (Holdings) Ltd.

The operating profit of the Malta Stock Exchange reached a record level of €4,548,270, which is 12.2% higher when compared to the same figure for 2021 (€4,055,057).

Administrative costs increased by 14.7% in 2022 (€3,579,163) but this was mainly due to unfavourable comparisons to the reduced Covid-19-related spending of 2021. There were also some extraordinary costs, such as a 'death in service' expense that was triggered by the sad loss of one of our colleagues and the costs associated with the World Federation of Exchanges (WFE) Annual General meeting in Malta, which the Exchange hosted in September of 2022.

It should be noted that the management of operating costs is given the highest priority, with HR and IT being the main pillars of MSE operations and which are the largest contributors to our administrative expenses. Our 51 staff are our biggest capital asset, and our hybrid work from home model has enabled staff to work from home on Mondays and Fridays, a measure that is very popular among staff.

The net profit after tax figure of Malta Stock Exchange for 2022 was a record €3,035,586, representing an increase of 12.1% over the same figure for 2021 (€2,707,233). I am pleased to report that the Exchange paid its shareholder another €3 million gross Special Dividend in 2022 over and above the €1.75 million net ordinary dividend paid. We are committed to returning excess profits to our shareholder through the payments of additional special dividends in the coming years and will strive towards maintaining our strong balance sheet.

The MSE's revenue comes mainly from listing, register fees and trading-related income. In 2022, we saw a significant increase in listing and register business but were once again faced with low market turnover. On the other hand, the admission to listing of 19 new corporate bonds, three equities and 17 Government Stocks led to an offsetting of the loss of trading revenue by listing and registrar related revenues. We are proud to report that the Exchange has 108 corporate entities listed on the Regulated Main Market and Prospects MTF, an increase of 35% when compared to 2015. In our view this is a significant number, when compared to similarly sized European markets and the small size of the Maltese economy.

The listing rules governing REITs, Green Bonds and ETFs have unfortunately not resulted in any material new business, with just one ETF being admitted to listing. We are hopeful that in the coming months, these rules will be instrumental in new business being generated.

The fourth edition of the MSE Business Review was published in September 2022, in time for distribution at the WFE AGM held in Malta. This 116-page publication was very well received and included articles and interviews with VIPs and key stakeholders from the financial services sector, leaders of listed entities and professionals who addressed regulatory, market, compliance and other topical updates.

We are proud to have been the hosts of the WFE AGM that attracted over 200 participants representing over 50 exchanges from all over the world. This very high-profile event was held over three days and was a significant brand building and promotional event for the Exchange, and the Maltese financial services sector at large. The event was hugely successful thanks to the professional and dedicated team at the MSE, who organised and coordinated this event.

The MSE Institute entered its 5th year of operations and attracted over 1,200 students to its courses. Over a hundred courses were held during the year, and these covered a range of subjects under the categories of capital markets, corporate risk, cryptocurrencies, cybersecurity, financial reporting, and tax and VAT, among others. These courses were run online since feedback from attendees continued to show that they preferred this environment.

In November, the MSE Institute concluded the Erasmus Plus project entitled I Don't Know. At the end of the year, the Institute was co-ordinating one project entitled Fairness, and partnering

another project entitled Beyond Capital. Every effort is made to ensure that these projects are run to high standards and within the allocated budget.

Also in November, the Exchange organised the MSE Annual Awards evening. Over 140 local executives, stakeholders and financial practitioners attended the dinner at the Phoenicia Hotel in Floriana. This successful and well attended event has become highly anticipated by practitioners and representatives of listed entities.

I would like to pay tribute to the entire MSE staff who came together much like an extended family to achieve these fabulous results. 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, our Chief Financial Officer, Ms Charmaine Baldacchino, and our Chief Technical Officer, Mr Alex Pace. I also recognise the contribution,

support and encouragement from my fellow Board members, Prof. Joseph Falzon, Mr Steven Tedesco, Dr Stephanie Fabri and our newest board members, Mr Maurice Gruppetta and Mr Michael Parnis. I especially recognise the support of the Hon. Minister for Finance and Employment, Mr Clyde Caruana.



Joseph Portelli
Chairman



CHIEF EXECUTIVE OFFICER'S REPORT





CHIEF EXECUTIVE OFFICER'S REPORT

The year 2022 marked a special occasion for the Malta Stock Exchange as we celebrated the 30th anniversary since the Exchange commenced operations in 1992. It was also the year that the world began to recover from the pandemic, but was also rocked by the conflict in Ukraine, causing shifts in market dynamics that made inflation rates and interest rates major concerns in the market. This external environment served as the backdrop for 2022. Despite these challenges, we are proud to announce that the MSE has performed excellently, including in the achievement of profits after tax exceeding €3 million for the first time. We are pleased to be able to share our achievements throughout the year with you in this annual report.

The Exchange recorded an operating profit of just over €4.5 million and a net profit after tax of just over €3 million, representing an increase of more than 12% compared to the same figures for the previous year. Our commitment to controlling expenditure and prudent financial management continued and costs continued to be closely monitored throughout the year. Despite facing inflationary pressures, rising insurance premiums and some one-off extraordinary expenses relating to an employee beneficiary payout and conference-related costs, the Exchange has successfully maintained its gross profit margin and operating profit margin. Over the past year, the gross profit margin remained relatively stable at 97.4% compared to 97.7% in 2021, and the operating profit margin marginally decreased to 54.6% from 54.7% in 2021.

The core business of the Exchange and its revenue streams remain those that are generated through trading activity and turnover, as well as the registration and listing services for financial instruments. Therefore, the level of activity in both the primary and secondary markets had a direct impact on the revenue generated by the Exchange in 2022. While the primary market, in terms of new issues of equities, corporate bonds and Government debt, remained at record levels, revenue from the secondary market activity declined.

Our revenue from listings and registration was at a record high in 2022, as activity in the primary market remained significant in all segments of the market. In 2022, three new companies listed their equities on our market. Over the past two years, the number of new equities listed on the Exchange has been equal to the total number of new equities listed in the previous seven years combined, indicating a positive and welcome trend.

In the corporate bond segment, 19 bonds were issued during the year, raising a total of €437 million. This represents an increase of just over 80% compared to the previous year when

a total of €242 million was raised through these bond issues. Two factors have been catalysts for such high numbers of new issues. First, several capital-raising projects that had been stalled by the pandemic finally made it to the market. Second, the end of nearly a decade of negative interest rates and the prospect of further increases in base interest rates were determining factors for a number of corporate bond issuers.

The Government's total debt issuances increased compared to the previous two years, but a greater proportion of the debt financing was done through short-term treasury bill issuances rather than Malta Government Stock issuances. Overall, 2022 was a record year for new issuances processed by the Exchange, exceeding all previous years, with a total of 142 new issuances.

On the other hand, our revenue from secondary market activity has declined. This decrease was mainly due to lower market prices, which resulted in an overall reduction in market turnover by 2.3%, reaching just under €290 million. This represents a decrease of €6.7 million from the 2021 figures. This decrease happened despite the actual increase in the overall market volume of 6.4%, from just over €263 million in 2021 to just under €280 million in 2022.

The effect of the decrease in market prices is reflected in the performance of the price indices in 2022. The MSE Equity Total Return Index closed just over the 7,400 mark, representing a 9.7% drop from the 8,200 mark at the beginning of the year. Similarly, the MSE Balanced Bond Total Return Index fell by over 15%, from just above the 1,110 mark at the start of the year to 943 at the end of the year.

One positive outcome of the pandemic was that our staff were able to maintain and improve their productivity levels, even with almost 100% work-from-home procedures that were in place. As we moved out of the pandemic in 2022, we decided to adopt a hybrid work schedule, where staff work three days a week at the office and two days from home. Overall, we are proud and encouraged by our staff's response to difficult circumstances and that we have found a way to maintain our productivity levels while also incorporating a hybrid work schedule. We are pleased to have resumed face-to-face activities and events that are so important to our business and to the stakeholders and entities we work with.

Throughout the year, our social events and business development activities picked up momentum, once again reaching and surpassing pre-pandemic levels. These included the ringing-of-the-bell ceremonies, which have been well

received by listed entities, and the face-to-face meetings with CEOs of listed companies and key players in the financial services industry both through the popular Executive Spotlight series of webinars, as well as through business lunches hosted at the Exchange. We once again organised the MSE Annual Awards Dinner and successfully hosted the prestigious Annual General Meeting and Conference of the World Federation of Exchanges, which were a credit to our events team for their successful execution.

Particular mention needs to be made of the operations of our subsidiary, the Malta Stock Exchange Institute. It had its busiest year so far, delivering over a hundred courses and attracting over 1,200 participants despite increased competition. All courses were delivered in a virtual setting, which has proven to be the most effective delivery method and which enables the MSEI to attract the attendance of overseas participants. In addition to delivering courses, the MSEI participated in three international projects, collaborating with counterparts in several European countries under the EU's Erasmus+ programme.

With the ever-increasing demand for investment in ESG, we believe that incorporating ESG metrics into business operations will enhance the performance of environmental, social and governance aspects at all levels. Incorporating sustainability measures in business activities will also contribute to the achievement of national and international sustainability goals. As the national stock exchange, we play a critical role in our country's financial system and the broader economy. It is our responsibility to lead by example and to prioritise sustainability goals in line with Malta's 2050 sustainability strategy. Accordingly, we have embarked on various ESG initiatives during the year.

To kickstart our efforts, in 2022 we conducted a comprehensive Greenhouse Gas (GHG) emissions assessment to measure our carbon footprint. This process was crucial in establishing a baseline for our emissions and will allow us to monitor the impact of our activities on climate change going forward. By identifying cost-effective opportunities to reduce our GHG emissions, we can not only mitigate our impact on the environment, but also enhance our bottom line. Moving forward, we remain committed to driving sustainability and reducing our carbon footprint, and we look forward to sharing our progress with you in future reports.

The outlook for 2023 is positive, with indications of resilience and sustained growth in both the primary and secondary markets. However, we anticipate that there may be market turbulences due to various factors, such as interest rates, inflation and geopolitical disruptions. Therefore, we will remain vigilant and closely monitor these market forces to ensure that we navigate any challenges and risks that may arise during this year.

In conclusion, the past year has been a remarkable one for the Malta Stock Exchange, as we celebrated our 30th anniversary and continued to provide support to the Maltese economy, businesses and investors. Our results are a testament of the dedication and contributions of our entire team, and I would sincerely like to thank our Chairman and Board of Directors for their continued leadership and prudent direction, as well as the whole executive team and the hardworking staff who have made it all possible, as we look forward to another successful year ahead.



Simon Zammit

Chief Executive Officer

MALTA STOCK EXCHANGE INSTITUTE

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ADMINISTRATION REPORT





ADMINISTRATION

REPORT



Governance

The Board

During 2022, Mr Joseph Portelli was reappointed Chairman of the Malta Stock Exchange plc and Prof. Joseph Falzon Deputy Chairman. Mr Steven Tedesco and Dr Stephanie Fabri were reappointed Directors of the Company. The reappointments are effective for three years. Mr Michael Parnis and Mr Maurice Gruppetta were appointed incoming Directors on the Board of the Company up to 21 April 2025. Ms Marie Cordina continued in her capacity of Company Secretary.

The Chairman and the Directors are also appointed as Chairman and Directors of MSE (Holdings) Ltd.

As at year end, the Board of the Malta Stock Exchange Institute Limited was composed of Mr Joseph Portelli as Chairman and Prof. Joseph Falzon, Dr Stephanie Fabri, Mr Maurice Gruppetta and Mr Simon Zammit as Directors.

During the second quarter of the year, Mr Joseph Portelli was reappointed Chairman and Prof. Joseph Falzon as Director of MSX plc.

General Meetings

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 2021, the minutes

of the Extraordinary General Meetings held on 30 June 2021 and 22 December 2021, 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 2021.

During the Extraordinary General Meeting held on 16 August 2022, the shareholders approved an interim net dividend of €875,000.

Towards the end of the year, on 15 December 2022, another Extraordinary General Meeting was held during which the shareholders approved a final net dividend of €875,000, as well as a special gross dividend of €3,000,000.

Board Meetings

In total the Board of Directors held 13 board meetings during the year. This included an ad hoc Board Meeting during which the Board, together with the Executives, discussed the Exchange's short-term and long-term strategy.

2022 brought about the transition from the Covid-19 pandemic scenario to the resumption of normal operations. In this regard, the Board approved the updates to a number of the MSE's policies and continued to maintain its oversight of the MSE's operations to ensure a seamless transition.

The Board was active throughout the year in approving the admission of securities, to the MSE's markets. In addition to regularly analysing the MSE's financial performance, the

Board also maintained ongoing oversight of operations, risk management, governance, compliance, and regulatory issues.

In an effort to continue promoting family-friendly measures and a better work-life balance, the Work from Home Policy was further enhanced, allowing staff members to work remotely from overseas for short periods of time.

The Board also monitored staff training and attended the Governance, Risk and Compliance (GRC) awareness sessions organised by the Exchange for its employees.

Throughout the year, the Board considered and approved a number of amendments to the MSE's fee structure.

The Board also approved the hosting of the World Federation of Exchanges General Assembly and Annual Meeting, which was held in September, as well as the organisation of the MSE Governance, Risk and Compliance Summit in Quarter 1 of 2023.

The Board approved a final net dividend of €1,750,000, and 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 twice in 2022.

Audit Committee

The Audit Committee, chaired by Mr Steven Tedesco, met on a quarterly basis in 2022. An additional eight ad hoc committee meetings were held during the year.

The Committee reviewed and analysed the Exchange's quarterly Management Accounts, monitored the MSE's Investment Portfolio and made appropriate investment recommendations to the Board and to the Risk Management Committee. The Committee also monitored trade debtors for any potential recovery issues and considered the budget estimates.

The Committee met with the Internal Auditor regularly to discuss the Internal Audit Reports and monitored the implementation of the reports' recommendations. The Committee considered and reviewed the proposed amendments to the MSE's fee structure and the Credit Control Policy, and recommended the approval of these changes to the Board.

Risk Management Committee

Chaired by Prof. Joseph Falzon, the Risk Management Committee was convened four times in 2022.

The Risk Manager briefed the Committee about the Risk Management and Internal Capital Adequacy Assessment Process (RMICAAP) and the MSE's Risk Register. The Committee closely monitored the MSE's key risks along with new risks identified during the year. As in previous years, the management of the MSE's Investment Portfolio, as well as the briefing on health and safety matters, regularly featured on the Committee's agenda.

Remuneration Committee

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

Maintenance and Refurbishment

As part of the ongoing project to improve and enhance the Exchange premises, a movable rail system consisting of ten screens was installed in the foyer to complement the existing video wall and tape ticker.

During the year, the Exchange also embarked on the green initiative of planting a number of trees around the building. This not only enhances the overall aesthetics of the Exchange but also shows the Exchange's support for the wider initiative to enrich Malta's biodiversity.

Human Resources

Staff Complement

In 2022, the Exchange recruited two full-time supervisors, who were assigned to the Central Securities Depository and the IT Office, and a part-time employee was added to the IT Office. In addition, two new employees were hired for the Customer Service team, one on a full-time and another on a part-time basis. Three employees resigned during the year, two in the Supervisory grade and one in the Managerial grade. Regrettably, one employee in the Managerial grade passed away while in employment with the Exchange.

Towards the end of the year, the Exchange's staff complement comprised of 54 employees, 36 females and 18 males. This distribution generally reflects the gender balance across most grades in the organisation, as in previous years. The complement included 26 employees in the managerial grades, 18 in the supervisory grade and four employees in the officer grade. Furthermore, six unskilled staff members were employed, one of whom retired on reaching retirement age at the end of the year. The Exchange engaged one student during the summer months to assist the Central Securities Depository.



Staff Training

The Exchange continued to promote staff training, both externally and at the Malta Stock Exchange Institute. In total, 53 staff members and directors attended 246 courses.

In line with the MSE's Training Policy, these included courses in Anti Money Laundering, Cybersecurity, Customer Due Diligence and Risk Assessment, among others. Moreover, the Exchange organises Governance, Risk and Compliance Staff Awareness Sessions on a regular basis and on Easter Monday, which is designated as a Training Day, employees attended a virtual interactive session titled Coping with Stress and Anxiety.

Family-Friendly Measures

In line with the work-home balance measures, all employees continued to benefit from working from home twice a week on Mondays and Fridays and coming to the office three times a week. Moreover, the Work from Home Policy was further enhanced to enable employees to perform short-term telework from abroad.

Health and Safety Measures

In line with the Exchange's health and safety procedures, the MSE's safety measures were assessed continuously. In the first quarter of the year, the safety measures were regularly updated in the light of the evolving Covid-19 pandemic scenario. The protocols followed on the return of staff to the Exchange in April 2022 were also rigorously assessed. As in previous years, several fire drills and evacuations were carried out in 2022.

Social Events Committee

Following the slowdown of the Covid-19 pandemic and the relaxation of Covid-19 measures, which led to the easing of employees' restrictions, the Social Events Committee resumed





its organisation of events. These included Pizza Day, Maltese Table and the annual Pink October Day, which were organised as fundraisers for charitable organisations. The Kids' Christmas Party was also organised for the employees' children.

The Social Events Committee promoted two tours during the year. In March, a four-day tour to Munich was organised and, during Christmas week, a six-day tour to Milan, Verona, Bolzano, Venice and Bologna was organised for those

employees who took up this opportunity for a holiday with their colleagues.

Regulatory Matters

Fees and Other Charges

During the year, changes to Exchange Notice 1 – Fees and Charges (EN 1) were introduced as follows: waivers for transaction charges applicable for Off-Exchange transactions, in cases where Members have applied for and been granted a waiver from the Turnover Fee; and a fee per movement for transfers to/from Indirect Holding Accounts (Nominee).

Other changes were made following the revision of the Exchange's credit terms, which have been adjusted from 120 days to 60 calendar days (thus reverting to pre-Covid terms). These changes included modifications in the calculation of interest and fees for late payments, as well as the introduction of administrative fees applicable on outstanding balances exceeding 90 and 120 days.

EN 1 was also amended to reflect the changes in the invoicing of Dematerialisation services.

Risk Management and Internal Capital Adequacy Assessment Process (RMICAAP)

In January 2022, 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, the shareholders unanimously approved the Audited Financial Statements for the year ended 31 December 2021. The Audited Financial Statements and the Annual Report on the Exchange's activities for the year 2021 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

Throughout the year, the Exchange continued to support various educational, cultural and philanthropic causes.

The Exchange extended financial support to the Malta Community Chest Fund, Puttinu, Caritas, the Malta Association



of Small Shareholders, ALS Foundation, the Optimist Club of Malta, Din l-Art Helwa, Ċentru Tbebbix, Dar Merħba Bik, and Smiling with Jerome Foundation, among others.

Following the return of staff to the Exchange premises after the Covid-19 period, the Social Events Committee resumed the organisation of its events and, as in previous years, the proceeds raised were donated to charity.

Support to the Malta Association of Small Shareholders

In addition to extending financial support to the Malta Association of Small Shareholders (MASS), as reported above, the MSE also supported this organisation through the provision of facilities at the Exchange premises.

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

WFE's General Assembly and Annual Meeting 2022

The MSE had the pleasure to host the WFE's (World Federation of Exchanges) 61st General Assembly and Annual Meeting between 27 and 29 September 2022 at Hilton Malta. Among the distinguished speakers were the Hon. Dr Robert Abela, Prime Minister of Malta, and the Hon. Mr Clyde Caruana, Minister for Finance and Employment.

Leaders of global exchanges, regulatory authorities, industry experts from academia and the media gathered together for in-depth discussions on major issues surrounding the exchanges industry. Discussions also centred on the prevailing market conditions and covered topics such as market





patronage of the Hon. Mr Clyde Caruana, Minister for Finance and Employment.

The Company of The Year Award was given to Premier Capital plc and The Lifetime Achievement Award was awarded to Mr Paul Gauci, Founder and Executive Deputy Chairman of PG Group. The Employee of The Year Award was given to Ms Marica Farrugia, Manager at the Finance Office. An award for

resilience, liquidity, regulation, as well as innovative market technology and the crypto market space.

the best dissertation was introduced for the first time this year. The award was presented to graduate student, Ms Cassandra Victoria Axiaq.

Annual Awards Dinner

The Malta Stock Exchange Annual Awards Dinner was hosted on 17 November at the Phoenicia Hotel in Floriana under the

The guest speaker at this event was Mr Marcel Cassar, Chairman of the Malta Bankers' Association and Chief Executive Officer, APS Bank plc.





Malta Institute of Accountants' PAIB Conference

The Malta Stock Exchange participated in the Professional Accountants in Business (PAIB) conference, which was organised by the Malta Institute of Accountants (MIA) in May. The MSE's Chief Financial Officer and MIA Council Member, Ms Charmaine Baldacchino, moderated the panel discussion on The added value to society through PAIBs. Ms Stephanie Galea, Head of Business Development and Marketing, was one of the panellists in the discussion Corporate Finance – Sourcing Capital and Funding. Ms Galea also delivered a presentation on the different



Conferences and Seminars

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

Exchange Participation at Industry Events

London's City Week 2022

The Malta Stock Exchange participated for the first time at London's City Week, the international financial services community's main gathering, which was held between 25 and 27 April. The subject of the event was themed Resetting Priorities for a Better Future.

On the final day of the event, which discussed the Fintech Revolution, MSE Chairman Mr Joseph Portelli moderated a panel discussion with the title Payments – will innovative cross-border payment solutions lead to the disintermediation of banks?

forms of capital finance offered through the Malta Stock Exchange.

Global ABS 2022

The MSE was once again an exhibitor at the Global ABS 2022, the international conference that acts as an information platform for Europe's securitisation industry.

The conference, held annually in Barcelona over three days, attracts hundreds of investors, issuers and industry professionals. Ms Stephanie Galea, Head of Business Development and Marketing, and Dr Elizabeth Calleja Mousu, Head of Dematerialisation and Legal Office, represented the Exchange at the event.

FinanceMalta Annual Conference

The Malta Stock Exchange was an official sponsor of the 15th FinanceMalta Annual Conference, which was held on 1 December at the InterContinental Hotel, St Julian's.

Ms Stephanie Galea, Head of Business Development and Marketing, and Mr Cliff Pace, Director of Studies, Malta Stock Exchange Institute, represented the Exchange at the event.

Webinars organised by the MSE

MSE Executive Spotlight

During the year, the MSE held a series of Executive Spotlight webinars. The guests this year included AX Group Chairman Mr Angelo Xuereb and Chief Executive Officer Mr Michael Warrington; Farson's Group Chairman Mr Louis A. Farrugia; Malta Association of Small Shareholders (MASS), Vice-President Mr Anthony Farrugia, and Public Relations Officer Mr Tarcisio Barbara; and outgoing FinanceMalta Chairman, Mr Kenneth Farrugia, and incoming FinanceMalta Chairman, Mr George Vella.

Environmental, Social and Governance (ESG)

Environmental

GHG Emissions Assessment

Aligned with Malta's 2050 sustainability strategy, the attainment of climate neutrality was prioritised by the Exchange in 2022. To this end, the Exchange has conducted a comprehensive assessment of its greenhouse gas (GHG) emissions. The assessment covered Scope 1, which measures direct GHG emissions from sources that are owned or directly controlled by the Exchange, as well as Scope 2 and Scope 3. Scope 2 measures emissions that result from the indirect consumption of electricity, and Scope 3 measures emissions that occur in the value chain of the Exchange. This assessment is intended to be refined and expanded in scope over the years, and will be repeated on an annual basis in future.

Additionally, an independent energy audit was conducted in parallel with the GHG emissions assessment to determine the Exchange's energy consumption levels and identify potential areas for reduction.

MSE awarded the Sustainability Oriented Organisation Certificate

In 2022, the Exchange underwent a year-long guided evaluation process to identify sustainability gaps within the Exchange's processes and to devise ways to address them. Following this evaluation process, the Malta Stock Exchange was awarded the Sustainability Oriented Organisation Certificate during the Life Learning Academia (LLA), Academic Economic Congress 2022, held on 22 December.

The Exchange, represented by Ms Stephanie Galea, along with other awardees across Europe, was presented with a certificate. During the ceremony, Ms Galea presented an overview of the

MSE's sustainable activities and outlined the Exchange's plans for the future in the development of sustainable initiatives.

Social

International Women's Day

The Malta Stock Exchange welcomed the Hon. Dr Miriam Dalli, Minister for Environment, Energy and Enterprise, for a



bell ringing event which focused on Gender Equality for a Sustainable Tomorrow. The event, which as always was co-ordinated by the World Federation of Exchanges, was held on 8 March 2022 to mark International Women's Day. The event aimed to promote gender equality, emphasise the advantages of a diverse and inclusive workplace, and acknowledge the significant role women play in creating a better future for everyone.

Ring the Bell to Promote Financial Literacy

A Ring the Bell for Financial Literacy was held on 4 October. This annual event was held at the MSE in collaboration with the Malta Financial Services Authority (MFSA).

This initiative is a World Federation of Exchanges (WFE) event and was part of the International Organisation of Securities Commissions (IOSCO) World Investor Week (WIW), which was held between 3 and 9 October 2022.

This is the fourth year in a row that the MSE and the MFSA participated in this international event.

Governance

Good Practice Award

During Public Service Week, the Malta Stock Exchange, along with two other public entities, received the Good Practice Award

at the Public Service Award ceremony, held on 5 May 2022. The award was given in recognition of the excellent controls and governance structures that were found during an audit conducted by the National Audit Office in 2021.

Visitors to the Exchange

President of Malta Visit

The MSE was honoured to welcome His Excellency, the President of Malta, Dr George Vella, for his first visit to the Exchange on June 21, 2022. During this visit, the President met the Board of Directors and staff; and signed the MSE's Visitors' Book.

Dr Vella commented on the importance of the Stock Exchange for the Maltese economy and highlighted how the large number of companies who chose to be admitted to its markets is evidence that the Exchange is a well-trusted entity. He also conveyed his appreciation to all the staff members and encouraged them to consistently enhance their professional development and efficiency, thereby ensuring the delivery of the best possible service to the public.



The fourth edition of the annual Malta Stock Exchange Business Review magazine was published in September 2022. This edition featured the Chairman of the AX Group, Mr Angelo Xuereb, on its cover and, in line with previous editions, carried many key interviews and articles, including interviews with the Minister

Publications

The Malta Stock Exchange Business Review magazine



for the Environment, Energy and Enterprise, the incoming Chairman of FinanceMalta, regulators, stockbrokers, leaders of listed entities and prominent figures from the business, legal, technological, finance and risk environments.

This magazine is being published in the highest quality possible and has now become an anticipated publication within the financial services community. The Exchange will be publishing the fifth edition of the Malta Stock Exchange Business Review magazine in 2023.





EXCHANGE OPERATIONS AND OTHER ACTIVITIES





EXCHANGE OPERATIONS AND OTHER ACTIVITIES

Regulated Main Market

Total market turnover in 2022 stood at €290 million, a decrease of 2.3% (€6.7 million) when compared to 2021. The MGS segment fell by 25.2% or €36.4 million compared to 2021, followed by the equity segment, which decreased by 1.5% or €0.5 million. On the other hand, the corporate bond segment registered an increase of 8.1% or €7.6 million. A total of €46.8 million was traded in Treasury Bills during the year, almost twice the amount registered in 2021.

Market capitalisation as at year end stood at €14.7 billion, a slight decrease of 0.6% (€96 million) from the €14.8 billion at the end of 2021. Both the equity and the Malta Government Stock market values fell by 4.3%, or by €182 million and €328 million, respectively. The largest percentage gain occurred in the Treasury Bill market, which increased by 40.1% (€240.9 million). This was followed by the corporate bond market in which the value increased by 7.7% (€171.2 million). The market capitalisation of the Exchange Traded Fund increased by 2.8%, €1.6 million more than in 2021.

The MSE Equity Total Return Index closed at 7,404.793, down 9.7% from 8,199.397 at the end of 2021. The index peaked at 8,109.047 on 6 January and fell to its lowest level at 7,207.756 on 19 December.

There were three new equity listings on the main market in 2022, namely AX Real Estate plc, M&Z plc and APS Bank plc, which had a combined initial market capitalisation of €313 million. Three already listed companies increased their share capital through bonus issues: Lombard Bank Malta plc, which listed 596,906 ordinary shares; Simonds Farsons Cisk plc, which listed six million ordinary shares; and RS2 plc, which listed 24,121,158 ordinary shares and 1,123,729 preference shares.

Lombard Bank Malta plc also conducted a share split on a two-for-one share basis. APS Bank plc listed an additional 7,201,507 ordinary shares that were issued subsequent to an interim dividend. VBL plc increased their listed share capital by an additional 3,571,428 ordinary shares after these were issued to a new shareholder. LifeStar Holding plc decreased its listed share capital as it cancelled 5,897,951 shares that were held by the company following a share-for-share exchange in its related company LifeStar Insurance plc that occurred in 2021.

A total of 19 corporate bonds were issued on the Regulated Main Market during the year, with a total value of €437 million, of which €76.5 million were rolled over from existing bonds and €360 million were new capital. This is 80.2% more than the amount that was issued in 2021, when a total of €242 million capital was raised among eight bonds. In 2022, four corporate bonds were redeemed, and one was partially redeemed, which had an aggregate value of €72.3 million compared to four bonds that were redeemed amounting to €34.8 million in the previous year.

A total of 17 Malta Government Stocks (MGSs) were issued, having a nominal value of €1.05 billion (21 in 2021 worth €1.5 billion). The total nominal value of redeemed MGSs amounted to €375.9 million (€462 million in 2021).

In 2022, a total of 103 Treasury Bills (T Bills) were issued, with a combined value of €2.5 billion, compared to 101 issues in 2021, totalling €1.9 billion. An aggregate of 97 T Bills with a total value of €2.3 billion was redeemed in 2022, compared to 103 T Bills with a combined value of €1.9 billion in 2021.

Similar to 2021, no trading activity was registered in the Exchange Traded Fund segment.

MSE Equity Total Return Index for 2022



Institutional Financial Securities Market

No trades were registered in IFSM during 2022 (2021 - €1.4 million).

Prospects MTF

Two corporate bonds were admitted to the Prospects MTF market in 2022 with an aggregate initial market value of €6 million. One corporate bond, having a value of €5 million, was fully 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 23. These were made up of 22 corporate bonds and one equity.

Market turnover in 2022 amounted to €2.68 million, spread over 448 trades. This resulted in a reduction of 32.9% in turnover and a drop of 27.3% in the number of trades when compared to 2021, when 616 trades were transacted with a total turnover of just under €4 million.

In May a corporate bond was temporarily suspended by the Exchange for nine working days due to the Issuer's inability to fulfil its obligations under Prospects MTF Rule 4.11.12 Table 1 No. 1 and No. 3.

Two Corporate Advisors voluntarily resigned during the year, and another Corporate Advisor's approval was cancelled when the company was put into voluntary liquidation and was struck off the Register at the Malta Business Registry. The number of firms authorised by the Exchange to act as Corporate Advisors to prospective or admitted Prospects MTF companies stood at 12.

Central Securities Depository

The number of active accounts held at the CSD as at year end stood at just below 68,000 compared to just above 77,000 as at the end of the previous year. During 2022, the CSD processed around 590 corporate actions, of which 367 were interest and dividend payments related to both listed and non-listed securities. Other corporate actions included a number of register mergers and conversions, redemptions, bonus share issue processing and share splits. 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.

A total of 144 securities were admitted to the CSD in 2022, compared to the 135 securities admitted in 2021. The security registers admitted to the CSD during 2022 consisted of three equities, 21 corporate bonds, 17 Malta Government Stock issues and 103 Treasury Bills, which were all listed on the Regulated Main Market.

The number of transactions effected over the MSE CSD Clearstream Banking AG link in 2022 decreased when compared to the previous year. A total of 184 (2021 – 289) transactions were processed in 2022 in both listed and non-listed securities.

E-Portfolio

In 2022, 984 CSD accounts were activated on the online e-Portfolio facility, bringing the total number of activated accounts to 9,176 by year end. Through the e-Portfolio facility, CSD account holders can view holdings, movements, as well as details of payments received from corporate actions and are able to give instructions to the CSD to change account details, tax options and direct credit instruction.

Dematerialisation of Non-listed Securities

During 2022, the number of applications received from issuers seeking admission for MSE-CSD dematerialisation services and which had not applied for admission to the MSE's Official List amounted to 24.

Nineteen of these applications related to an increase in the existing dematerialised issued share capital, amounting to a total of 13,179,355 ordinary shares. One related to the dematerialisation of €4,700,000 fund shares. The remaining four applications were for the dematerialisation of €1,945,000 debt instruments.

In 2022, eight instruments were terminated and a further instrument had its capital reduced.

As at year end, the number of non-listed securities admitted to the CSD amounted to 25, of which 15 are equities and 10 debt instruments.

Market Operations Office

The Market Operations Office admitted Timberland Invest Ltd as a new member of the Exchange in 2022, bringing the number of approved firms as at year end to 19. The number of active traders having access to the T7 Trading System at the end of 2022 stood at 53.

Information Technology

The development and testing of the new website were finalised, and it was launched in the second half of the year. The new website features an updated layout that is compatible with different devices, facilitating browsing and viewing on mobile phones and tablets.

(Continued on page 40)

Regulated Main Market - Comparative Trading Figures

Security	Number of Deals		Volume/No. of Shares		Market Turnover (EURO)	
	2022	2021	2022	2021	2022	2021
Equities						
APS Bank plc Ord €0.25	475	-	3,718,547	-	2,462,406.63	-
AX Real Estate plc Ord A €0.125	67	-	698,931	-	384,266.20	-
Bank of Valletta plc Ord €1.00	1,156	982	6,918,950	5,668,026	5,899,516.01	5,070,262.87
BMIT Technologies plc Ord €0.10	235	576	3,779,548	7,874,866	1,825,530.00	3,886,547.24
FIMBank plc Ord US\$0.50	73	67	1,017,834	667,786	212,596.52	174,532.18
GO plc Ord €0.582343	353	451	910,270	885,659	2,802,508.38	3,053,958.34
Grand Harbour Marina plc Ord €0.12	22	24	73,259	37,259	47,627.00	22,267.69
Harvest Technology plc Ord €0.50	35	178	62,830	878,951	89,577.14	1,302,283.35
Hili Properties plc Ord €0.20	95	-	1,062,170	-	258,543.28	-
HSBC Bank Malta plc Ord €0.30	448	516	2,576,438	2,515,009	2,073,576.35	2,093,431.83
International Hotel Investments plc Ord €1.00	218	160	1,658,155	1,011,684	1,131,916.89	642,425.77
LifeStar Holding plc Ord €0.291172	11	19	5,124	35,247	4,546.41	21,957.15
LifeStar Insurance plc Ord €0.1414779585	13	4	17,490	1,450	8,269.00	725.00
Lombard Bank Malta plc Ord €0.125	101	106	593,732	378,699	1,094,325.17	718,696.33
Logus Holdings plc Ord €0.232937	43	29	505,274	165,366	72,840.06	14,352.38
M&Z plc Ord €0.125	58	-	529,808	-	396,467.80	-
Main Street Complex plc Ord €0.10	14	21	78,250	169,450	34,732.80	81,362.10
Malita Investments plc Ord B €0.50	68	112	437,627	1,108,442	329,951.51	968,105.03
Malta International Airport plc Ord €0.25	456	700	651,522	687,379	3,809,065.95	4,188,383.10
Malta Properties Company plc Ord €0.32	186	265	1,182,905	2,646,781	599,343.55	1,395,688.80
MaltaPost plc Ord €0.25	77	91	288,522	350,503	308,296.89	426,768.44
Mapfre Middlesea plc Ord €0.21	100	110	111,198	130,491	196,680.24	287,994.19
MedservRegis plc Ord €0.10	51	54	1,751,793	219,629	1,229,366.07	143,955.66
MIDI plc Ord €0.20	54	124	715,163	1,102,092	225,483.93	416,175.94
PG plc Ord €0.25	141	245	769,316	954,369	1,667,576.47	2,057,824.20
Plaza Centres plc Ord €0.20	30	45	153,200	691,426	121,237.50	638,287.15
RS2 Software plc Ord €0.06	225	373	1,039,792	1,833,416	1,454,992.06	3,238,949.95
RS2 Software plc Pref €0.06	21	36	76,150	94,258	121,979.70	167,659.56
Santomas Shareholdings plc Ord €0.275	20	16	62,283	71,058	63,154.10	64,508.05
Simonds Farsons Cisk plc Ord €0.30	239	221	300,081	107,970	2,303,398.40	892,220.35
Tigne Mall plc Ord €0.50	33	61	168,531	266,633	121,835.65	197,820.99
Trident Estates plc Ord €1.00	65	80	284,727	193,376	394,903.60	289,640.45
VBL plc Ord €0.20	39	9	936,874	42,100	233,653.66	12,395.00
Total Equity	5,222	5,675	33,136,294	30,789,375	31,980,165	32,469,179
Corporate Bonds						
5.1% 1923 Investments plc Unsecured € 2024	258	380	2,461,900	3,236,100	2,504,418.87	3,306,542.85
5.1% 6PM Holdings plc Unsecured € 2025	28	156	131,900	1,193,600	133,928.29	1,215,547.49
3.25% APS Bank plc Unsecured Subordinated € 2025-2030	55	21	2,200,000	1,025,000	2,176,042.50	1,054,787.50
3.25% AX Group plc Unsecured € 2026 Series I	166	223	1,131,200	2,189,300	1,130,674.14	2,213,988.64
3.75% AX Group plc Unsecured € 2029 Series II	110	49	791,700	354,100	792,676.27	360,212.10
6% AX Investments plc € 2024	103	93	511,300	409,300	523,067.74	430,452.92
3.5% AX Real Estate plc Unsecured € 2032	65	-	495,600	-	494,521.27	-
3.5% Bank of Valletta plc € Notes 2030 S1 T1	53	58	1,305,600	1,711,500	1,290,476.75	1,746,513.77
3.5% Bank of Valletta plc € Notes 2030 S2 T1	102	114	2,146,500	4,150,300	1,952,412.70	4,217,676.80
3.75% Bank of Valletta plc Unsecured Subordinated € 2026-2031	53	44	1,116,000	1,028,000	1,084,868.30	1,055,985.16
4.25% Best Deal Properties Holding plc Secured € 2024	140	97	5,515,700	1,632,800	5,736,176.30	1,698,324.00
4.75% Best Deal Properties Holding plc Secured € 2025-2027	6	-	45,200	-	45,199.48	-
4.5% BNF Bank plc Unsecured Subordinated € 2027-2032	28	-	223,100	-	223,506.01	-
3.75% Bortex Group Finance plc Unsecured € 2027	52	93	256,400	706,800	256,759.88	720,633.02
3.9% Browns Pharma Holdings plc Unsecured Callable € 2027-2031	89	73	613,800	881,700	621,158.76	918,852.00
4% Cablenet Communication Systems plc Unsecured € 2030	261	125	2,570,000	1,734,000	2,581,444.40	1,795,708.10
4% Central Business Centres plc Unsecured € 2027-2033	128	40	927,300	233,900	928,956.51	234,176.92
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	41	18	206,900	150,600	206,766.32	153,336.35
5.25% Central Business Centres plc Unsecured € 2025 S2 T1	22	13	118,800	71,400	119,869.66	73,049.00
5.75% Central Business Centres plc Unsecured € 2021 S1 T1	-	20	-	102,200	-	102,724.95
4.25% CPHCL Finance plc Unsecured € 2026	135	97	1,095,100	805,100	1,096,638.92	812,191.87
4.75% Dino Fino Finance plc Secured € 2033	97	27	558,600	260,500	575,181.34	265,355.79
5% Dizz Finance plc Unsecured € 2026	125	280	832,000	1,789,000	829,131.30	1,775,669.50
4% Eden Finance plc Unsecured € 2027	168	118	1,481,100	911,200	1,487,615.90	927,507.88
4.5% Endo Finance plc Unsecured € 2029	9	22	500,000	1,300,000	492,240.00	1,287,680.00
4% Exalco Finance plc Secured € 2028	50	43	564,300	1,086,800	573,231.50	1,117,837.49
4.5% G3 Finance plc Secured € 2032	138	-	1,403,500	-	1,437,914.30	-
3.65% GAP Group plc Secured € 2022	2	118	7,000	1,727,600	6,860.00	1,750,331.96
3.7% GAP Group plc Secured € 2023-2025 Series 1	89	133	649,900	1,062,400	651,268.81	1,083,076.50
3.9% GAP Group plc Secured € 2024-2026	117	-	1,162,000	-	1,167,820.55	-
4.25% GAP Group plc Secured € 2023	33	58	229,600	527,100	230,178.21	539,121.78
4.75% GAP Group plc Secured € 2025-2027	1	-	9,000	-	9,135.00	-
3.5% GO plc Unsecured € 2031	616	421	6,244,800	4,408,200	6,275,813.24	4,597,239.85
4.5% Grand Harbour Marina plc Unsecured € 2027	60	85	474,800	635,100	482,538.38	653,260.70
5% Hal Mann Vella Group plc Secured € 2024	158	74	1,854,600	433,000	1,904,664.13	453,763.68
3.8% Hili Finance Company plc Unsecured € 2029	266	513	2,028,800	4,714,700	2,013,285.31	4,716,160.81
3.85% Hili Finance Company plc Unsecured € 2028	179	463	1,673,800	4,939,300	1,664,371.74	4,947,594.96
4% Hili Finance Company plc Unsecured € 2027	214	-	1,564,800	-	1,570,309.46	-
4.5% Hili Properties plc Unsecured € 2025	212	237	1,280,200	1,071,500	1,293,734.76	1,095,595.33
4.35% Hudson Malta plc Unsecured € 2026	42	55	278,600	381,800	280,290.00	387,053.98
3.65% International Hotel Investments plc Unsecured € 2031	256	5	1,754,800	28,900	1,716,926.56	28,988.24
4% International Hotel Investments plc Secured € 2026	341	280	2,260,600	1,309,900	2,266,854.29	1,340,677.02
4% International Hotel Investments plc Unsecured € 2026	283	268	2,346,900	1,968,700	2,338,829.68	1,983,405.29
5.75% International Hotel Investments plc Unsecured € 2025	210	173	986,600	1,043,000	998,085.54	1,074,879.39
5.8% International Hotel Investments plc € 2021	-	67	-	442,600	-	443,205.32
5.8% International Hotel Investments plc € 2023	33	38	233,900	284,100	235,875.00	288,414.98
6% International Hotel Investments plc € 2024	143	131	819,800	842,900	831,077.84	869,910.24
4.25% IZI Finance plc Unsecured € 2029	159	-	1,260,100	-	1,280,007.16	-
4.5% Izola Bank plc Unsecured € 2025	51	37	2,582,400	429,400	2,653,849.69	438,464.60
5% Izola Bank plc Unsecured € 2027-2032	6	-	35,000	-	35,000.00	-
4.85% JD Capital plc Secured € 2032 Series 1 Tranche 1	6	-	246,800	-	246,798.67	-
4% LifeStar Insurance plc Unsecured Subordinated € 2026-2031	-	-	-	-	-	-
5% LifeStar Holding plc Unsecured € 2021	-	7	-	87,200	-	85,696.29
4% Malta Properties Company plc Secured € 2032 S1/2022 T1	126	-	1,381,000	-	1,398,570.33	-
5.3% Mariner Finance plc Unsecured € 2024	63	82	421,500	1,206,700	429,302.83	1,284,621.66
4% MeDirect Bank (Malta) plc Subordinated Unsecured £ 2024-2029	1	7	16,000	224,000	18,578.73	256,037.34
4% MeDirect Bank (Malta) plc Subordinated Unsecured € 2024-2029	24	64	507,000	1,561,000	505,490.80	1,562,845.00
5% MeDirect Bank (Malta) plc Subordinated Unsecured £ 2022-2027	-	-	-	-	-	-
5% MeDirect Bank (Malta) plc Subordinated Unsecured € 2022-2027	6	14	140,000	362,000	140,175.00	364,247.50

Regulated Main Market - Comparative Trading Figures *continued*

Security	Number of Deals		Volume/No. of Shares		Market Turnover (EURO)	
	2022	2021	2022	2021	2022	2021
Corporate Bonds <i>continued</i>						
5% Mediterranean Investments Holding plc Unsecured € 2022	20	154	55,100	846,900	54,605.60	842,043.98
5.25% Mediterranean Investments Holding plc Unsecured € 2027	41	-	270,500	-	275,501.49	-
5.5% Mediterranean Investments Holding plc Unsecured € 2023	58	46	359,500	148,300	359,754.75	149,041.20
6% Mediterranean Investments Holding plc € 2021	-	12	-	96,700	-	95,925.65
4.8% Mediterranean Maritime Hub Finance plc Unsecured € 2026	112	154	670,000	1,152,000	675,941.50	1,165,907.20
4.5% MedservRegis plc Unsecured € 2026	29	41	1,290,000	1,499,700	1,240,522.50	1,441,804.10
5% MedservRegis plc Secured € 2029	2	-	10,000	-	10,145.00	-
5.75% MedservRegis plc Unsecured US\$ 2026	12	23	559,000	830,000	488,234.34	663,945.65
6% MedservRegis plc Secured and Guaranteed € Notes 2020-2023 S1 T1	31	92	101,500	304,700	100,862.47	303,395.13
4.85% Melite Finance plc Secured € 2028	2	4	109,300	153,800	89,940.00	114,850.00
3.75% Mercury Projects Finance plc Secured € 2027	95	120	546,800	964,000	547,323.84	979,019.51
4.25% Mercury Projects Finance plc Secured € 2031	67	108	301,600	637,300	304,491.26	653,174.83
4.30% Mercury Projects Finance plc Secured € 2032	255	-	2,232,800	-	2,265,909.40	-
4% Merkanti Holding plc Secured € 2026	172	186	1,227,300	1,127,900	1,234,203.30	1,146,365.78
4% MIDl plc Secured € 2026	253	204	2,309,300	2,113,600	2,329,510.77	2,176,879.12
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	316	109	4,759,200	1,795,400	4,755,992.96	1,845,689.67
6% Multitude Bank plc Subordinated Unsecured € 2032 S1/22 T1	12	-	75,000	-	75,000.00	-
6% Pendergardens Developments plc Secured € 2022 Series II	21	55	1,464,600	1,321,000	1,464,687.50	1,346,121.65
4.15% Phoenicia Finance Company plc Unsecured € 2023-2028	113	208	978,500	2,059,900	977,698.30	2,058,439.01
3.9% Plaza Centres plc Unsecured € 2026	16	12	1,850,000	478,800	1,905,925.00	500,346.00
3.75% Premier Capital plc Unsecured € 2026	240	211	1,806,300	2,005,500	1,819,079.53	2,066,244.29
4.35% SD Finance plc Unsecured € 2027	348	255	3,742,400	2,330,700	3,745,412.23	2,359,899.01
4% Shoreline Mall plc Secured € 2026	43	141	321,000	1,207,000	316,330.08	1,215,338.95
4.5% Shoreline Mall plc Secured € 2032	48	167	226,200	1,055,900	222,266.80	1,060,587.86
3.5% Simonds Farsons Cisk plc Unsecured € 2027	136	46	996,000	260,500	1,016,841.20	275,171.61
4.65% Smartcare Finance plc Secured € 2031	137	69	636,100	433,800	652,003.43	450,846.12
4.65% Smartcare Finance plc Secured € 2032	59	-	588,700	-	601,980.28	-
4% SP Finance plc Secured € 2029	78	121	443,700	714,400	448,027.74	722,780.89
4.55% St Anthony Co plc Secured € 2032	258	-	1,846,600	-	1,908,976.12	-
3.65% Stivala Group Finance plc Secured € 2029	109	138	1,376,100	1,340,700	1,381,321.45	1,357,860.13
4% Stivala Group Finance plc Secured € 2027	150	162	1,011,500	1,564,500	1,021,915.75	1,610,245.24
4.50% The Ona plc Secured € 2028-2034	112	-	1,117,400	-	1,140,012.33	-
5.9% Together Gaming Solutions plc Unsecured Callable € 2024-2026	115	154	638,700	855,600	640,059.74	858,323.81
3.75% TUM Finance plc Secured € 2029	88	108	489,100	845,300	489,978.97	858,109.91
3.75% Tumas Investments plc Unsecured € 2027	86	87	520,000	749,300	520,985.71	761,362.45
5% Tumas Investments plc Unsecured € 2024	91	70	590,900	342,000	602,238.59	353,214.90
5.3% United Finance plc Unsecured € 2023	49	15	248,700	60,800	249,885.36	61,548.94
3.75% Virtu Finance plc Unsecured € 2027	113	93	1,086,900	1,182,500	1,092,137.71	1,223,610.26
4.4% Von der Heyden Group Finance plc Unsecured € 2024	138	157	835,000	1,000,000	839,871.10	1,011,654.50
5% Von der Heyden Group Finance plc Unsecured € 2032	4	-	54,200	-	54,200.10	-
Total Corporate Bonds	10,208	9,056	99,399,300	88,132,800	99,860,343	89,459,094
Malta Government Stocks						
Total MGSs	2,555	3,440	97,738,876	114,140,473	108,392,418	144,840,166
Treasury Bills						
Total Treasury Bills	13	5	47,000,000	24,250,000	46,819,257	24,273,375
Sub total	17,998	18,176	277,274,470	259,112,648	287,052,183	291,041,813

Institutional Financial Securities Market

Security	Number of Deals		Volume/No. of Shares		Market Turnover (EURO)	
	2022	2021	2022	2021	2022	2021
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	17,998	18,179	277,274,470	259,112,648	287,052,183	292,478,523

Prospects MTF - Comparative Trading Figures

Security	Number of Deals		Volume/No. of Shares		Market Turnover (EURO)	
	2022	2021	2022	2021	2022	2021
Equities						
Best Deal Properties Holding plc Ord €0.10	-	-	-	-	-	-
Corporate Bonds						
4.875% AgriHoldings plc Senior Secured € 2024	34	18	182,000	106,000	178,899.80	106,160.00
5.5% Anchovy Studios plc Unsecured € 2027	9	7	33,000	42,000	33,382.00	42,964.00
5.5% AST Group plc Unsecured € 2028	2	10	5,000	30,000	5,000.00	29,998.00
5% Borgo Lifestyle Finance plc Secured Callable € 2026-2029	21	28	95,400	117,400	95,260.50	115,651.82
5% Busy Bee Finance plc Unsecured € 2029	68	81	321,200	484,900	322,432.66	491,262.80
4.25% Calamatta Cuschieri Finance plc Unsecured Callable € 2024-2026	11	1	274,600	10,000	274,750.00	10,100.00
4.9% Class Finance plc Unsecured € 2032	-	-	-	-	-	-
5% The Convenience Shop Holding plc Unsecured Callable € 2026-2029	24	33	86,600	303,000	87,668.07	305,823.75
5.35% D Shopping Malls Finance plc Unsecured € 2028	13	37	86,600	240,400	80,816.75	225,748.96
5% FES Finance plc Secured € 2029	18	43	82,400	296,500	81,265.75	295,015.50
4.75% Gillieru Investments plc Secured € 2028	34	30	92,200	81,700	92,073.65	81,613.93
5% HH Finance plc Unsecured € 2023-2028	13	26	62,600	164,100	62,176.14	163,678.50
7.25% Hart Capital Partners (Europe) plc Secured Callable € 2025-2027	-	-	-	-	-	-
5% Horizon Finance plc Secured Callable € 2026-2029	7	8	43,800	66,000	43,729.20	66,602.50
5.5% IG Finance plc Unsecured € 2024-2027	5	13	54,000	115,000	54,050.00	115,105.40
5% JD Capital plc Unsecured € 2028	28	26	120,400	176,700	119,073.31	175,774.00
4.75% KA Finance plc Secured Callable € 2026-2029	72	65	344,800	307,300	321,345.40	302,261.95
5.25% Klukk Finance plc Unsecured € 2027	5	1	214,000	5,000	214,000.00	5,050.00
5% Luxury Living Finance plc Secured € 2028	29	86	178,600	729,800	177,927.70	729,534.94
4.75% Orion Finance plc Unsecured € 2027	18	25	279,000	325,000	278,967.50	324,820.50
5.75% Pharmicare Finance plc Unsecured € 2025-2028	20	29	73,200	106,000	74,073.00	107,204.00
5% Smartcare Finance plc Secured € 2029	-	9	-	99,900	-	100,875.50
5.5% Testa Finance plc € 2029	13	34	62,200	173,400	61,824.98	171,439.28
5.5% Yacht Lift Malta plc Secured Callable € 2021-2025	4	6	23,000	30,200	23,015.00	30,220.00
Total all Securities	448	616	2,714,600	4,010,300	2,681,731	3,996,905

MGS Movements 2022

Security Name	Date of Issue	Amount Issued	Coupon	Dates of Interest	Traded Value (EURO)	Deals	Last Closing Price
5.1% MGS 2022 (I)	16-Aug-04	71,047,725	5.100%	16-Feb 16-Aug	660,132.06	30	100.43
4.3% MGS 2022 (II)	6-Feb-12	240,169,400	4.300%	15-May 15-Nov	283,710.38	13	100.54
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	-	-	-
5.5% MGS 2023 (I)	14-Jul-03	78,811,283	5.500%	06-Jan 06-Jul	773,424.24	36	101.92
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	77,729.38	4	103.99
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	379,500.00	1	101.20
0.3% MGS 2024 (IV)	5-May-20	170,000,000	0.300%	11-Apr 11-Oct	-	-	-
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	165,600,000	0.400%	20-Apr 20-Oct	-	-	-
0.25% MGS 2026 (III)	24-May-21	163,711,000	0.250%	18-May 18-Nov	675,300.00	1	90.04
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	374,257.50	1	104.25
7% MGS 2027 (II)	25-Jul-17	1,096,800	7.000%	25-Jan 25-Jul	-	-	-
0.8% MGS 2027 (III)	13-Jul-20	183,400,000	0.800%	29-Apr 29-Oct	-	-	-
0.40% MGS 2027 (IV)	1-Mar-21	226,300,000	0.400%	19-May 19-Nov	-	-	-
0.90% MGS 2027 (V)	23-Feb-22	110,000,000	0.900%	12-Feb 12-Aug	-	-	-
3.40% MGS 2027 (VI) R	28-Oct-22	52,844,400	3.400%	24-Mar 24-Sep	620,317.50	23	100.00
3.4% MGS 2027 (VI) FI November 2022	30-Nov-22	75,500,000	3.400%	24-Mar 24-Sep	-	-	-
4.8% MGS 2028 (I)	2-Nov-12	107,029,500	4.800%	11-Mar 11-Sep	1,785,650.29	58	105.50
4.5% MGS 2028 (II)	1-Mar-13	286,651,500	4.500%	25-Apr 25-Oct	5,221,750.75	141	105.00
7% MGS 2028 (III)	16-Jul-18	260,500	7.000%	13-Jan 13-Jul	-	-	-
1.70% MGS 2028 (IV)	9-May-22	58,100,000	1.700%	04-Feb 04-Aug	-	-	-
2.60% MGS 2028 (V)	22-Nov-22	120,028,100	2.600%	22-May 22-Nov	6,930.00	3	99.00
2.60% MGS 2028 (V) I	20-Jul-22	106,465,000	2.600%	22-May 22-Nov	5,685,261.50	3	98.01
2.60% MGS 2028 (V) R	25-Jul-22	13,563,100	2.600%	22-May 22-Nov	1,233,708.97	12	98.35
5.1% MGS 2029 (I)	22-Jun-12	79,144,900	5.100%	01-Apr 01-Oct	1,044,789.04	109.50	-
2.3% MGS 2029 (II)	16-Jun-15	143,518,400	2.300%	24-Jan 24-Jul	6,687,318.26	89	95.20
1.85% MGS 2029 (III)	11-Dec-18	286,500,000	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 (I)	26-May-10	440,165,700	5.250%	23-Jun 23-Dec	17,104,288.14	148	110.25
3.7% MGS 2030 (II)	30-Nov-22	139,900,000	3.700%	25-May 25-Nov	-	-	-
5.2% MGS 2031 (I)	21-Nov-11	201,343,600	5.200%	16-Mar 16-Sep	5,815,141.46	105	111.71
1% MGS 2031 (II)	2-Mar-20	255,000,000	1.000%	23-Apr 23-Oct	25,144.30	2	88.33
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	3,435,582.94	124	106.30
4.45% MGS 2032 (II)	3-Mar-14	153,111,700	4.450%	03-Mar 03-Sep	4,406,166.51	93	104.85
1.60% MGS 2032 (III)	23-Feb-22	58,400,000	1.600%	03-May 03-Nov	-	-	-
2.10% MGS 2032 (IV)	9-May-22	20,000,000	2.100%	15-Apr 15-Oct	949,175.00	3	93.75
7% MGS 2032 (V)	23-Jun-22	677,400	7.000%	22-Jun 22-Dec	-	-	-
2.90% MGS 2032 (VI)	24-Oct-22	57,720,300	2.900%	24-Apr 24-Oct	66,069.00	5	96.14
2.90% MGS 2032 (VI) I	20-Jul-22	34,400,000	2.900%	24-Apr 24-Oct	2,065,600.00	1	103.28
2.90% MGS 2032 (VI) R	25-Jul-22	23,320,300	2.900%	24-Apr 24-Oct	73,417.20	7	102.50
4.00% MGS 2032 (VII) R	28-Oct-22	240,297,300	4.000%	30-Mar 30-Sep	19,417,990.62	773	102.00
4.3% MGS 2033 (I)	9-Jun-14	150,699,900	4.300%	01-Feb 01-Aug	4,765,527.93	83	103.65
4.1% MGS 2034 (I)	4-Apr-14	200,075,700	4.100%	18-Apr 18-Oct	8,417,704.72	112	107.99
2.2% MGS 2035 (I)	20-Feb-17	20,539,100	2.200%	24-May 24-Nov	371,990.29	16	84.86
1.00% MGS 2035 (II)	1-Mar-21	77,400,000	1.000%	23-Feb 23-Aug	225,130.00	1	95.80
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	3,028,560.97	111	89.57
1.20% MGS 2037 (I)	4-Aug-21	85,900,000	1.200%	13-May 13-Nov	1,820,298.90	7	79.68
2.1% MGS 2039 (I)	24-Oct-16	159,102,100	2.100%	24-Feb 24-Aug	2,111,318.79	107	100.00
3% MGS 2040 (I)	2-Mar-15	162,276,100	3.000%	11-Jun 11-Dec	2,831,574.02	190	96.00
2.4% MGS 2041 (I)	25-Jan-17	153,669,800	2.400%	25-Jan 25-Jul	2,996,086.67	98	89.00
3.40% MGS 2042 (I)	26-Aug-22	22,866,000	3.400%	26-Feb 26-Aug	136,937.90	13	100.33
3.40% MGS 2042 (I) I	20-Jul-22	2,000,000	3.400%	26-Feb 26-Aug	-	-	-
3.40% MGS 2042 (I) R	25-Jul-22	20,866,000	3.400%	26-Feb 26-Aug	757,388.73	29	110.60
1.5% MGS 2045 (I)	2-Mar-20	153,700,000	1.500%	22-Apr 22-Oct	1,093,500.00	6	80.00
1.40% MGS 2046 (I)	1-Mar-21	145,800,000	1.400%	20-Feb 20-Aug	-	-	-
2.60% MGS 2047 (I)	9-May-22	20,000,000	2.600%	27-Mar 27-Sep	-	-	-
1.80% MGS 2051 (I)	30-Aug-21	127,164,700	1.800%	28-Feb 28-Aug	945,837.01	56	65.00
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	-	-	-
2.4% MGS 2052 (I)	23-Feb-22	69,000,000	2.400%	13-Feb 13-Aug	22,207.50	1.00	88.83

Market Capitalisation as at 31 December 2022

Security	No of Shares	Close Price	Capitalisation in Euro
Equities			
APS Bank plc Ord €0.25	366,917,168	0.615	225,654,058.32
AX Real Estate plc Ord A €0.125	97,193,600	0.540	52,484,544.00
Bank of Valletta plc Ord €1.00	583,849,270	0.810	472,917,908.70
BMIT Technologies plc Ord €0.10	203,595,310	0.460	93,653,842.60
FIMBank plc Ord US\$0.50	522,443,763	0.190	93,214,682.10
GO plc Ord €0.582343	101,310,488	2.860	289,747,995.68
Grand Harbour Marina plc Ord €0.12	20,000,000	1.170	23,400,000.00
Harvest Technology plc Ord €0.50	22,780,636	1.440	32,804,115.84
Hili Properties plc Ord €0.20	400,892,700	0.240	96,214,248.00
HSBC Bank Malta plc Ord €0.30	360,306,099	0.710	255,817,330.29
International Hotel Investments plc Ord €1.00	615,684,920	0.675	415,587,321.00
LifeStar Holding plc Ord €0.291172	24,102,049	0.900	21,691,844.10
LifeStar Insurance plc Ord €0.1414779585	64,814,817	0.500	32,407,408.50
Lombard Bank Malta plc Ord €0.125	90,727,734	1.060	96,171,398.04
Loqus Holdings plc Ord €0.232937	31,899,000	0.189	6,028,911.00
M&Z plc Ord €0.125	44,000,000	0.690	30,360,000.00
Main Street Complex plc Ord €0.10	19,384,619	0.460	8,916,924.74
Malita Investments plc Ord B €0.50	30,000,000	0.700	21,000,000.00
Malta International Airport plc Ord €0.25	81,179,990	5.800	470,843,942.00
Malta Properties Company plc Ord €0.32	101,310,488	0.500	50,655,244.00
MaltaPost plc Ord €0.25	37,654,720	1.090	41,043,644.80
Mapfre Middlesea plc Ord €0.21	92,000,000	1.600	147,200,000.00
MedservRegis plc Ord €0.10	101,637,634	0.785	79,785,542.69
MIDI plc Ord €0.20	214,159,922	0.294	62,963,017.07
PG plc Ord €0.25	108,000,000	2.080	224,640,000.00
Plaza Centres plc Ord €0.20	25,492,000	0.730	18,609,160.00
RS2 Software plc Ord €0.06	217,089,727	1.190	258,336,775.13
RS2 Software plc Pref €0.06	10,113,329	1.480	14,967,726.92
Santomas Shareholdings plc Ord €0.275	7,314,122	1.340	9,800,923.48
Simonds Farsons Cisk plc Ord €0.30	36,000,000	6.850	246,600,000.00
Tigne Mall plc Ord €0.50	56,400,000	0.840	47,376,000.00
Trident Estates plc Ord €1.00	42,000,003	1.450	60,900,004.35
VLB plc Ord €0.20	248,042,645	0.260	64,491,087.70
Total:			4,066,285,601.05
Corporate Bonds			
5.1% 1923 Investments plc Unsecured € 2024	36,000,000	100.500	36,180,000.00
5.1% 6PM Holdings plc Unsecured € 2025	13,000,000	100.000	13,000,000.00
3.25% APS Bank plc Unsecured Subordinated € 2025-2030	55,000,000	94.750	52,112,500.00
3.25% AX Group plc Unsecured € 2026 Series I	15,000,000	99.900	14,985,000.00
3.75% AX Group plc Unsecured € 2029 Series II	10,000,000	96.500	9,650,000.00
6% AX Investments plc € 2024	40,000,000	100.000	40,000,000.00
3.5% AX Real Estate plc Unsecured € 2032	40,000,000	90.000	36,000,000.00
3.5% Bank of Valletta plc € Notes 2030 S1 T1	66,920,500	86.000	57,551,630.00
3.5% Bank of Valletta plc € Notes 2030 S2 T1	44,670,400	82.000	36,629,728.00
3.75% Bank of Valletta plc Unsecured Subordinated € 2026-2031	50,000,000	90.000	45,000,000.00
4.25% Best Deal Properties Holding plc Secured € 2024	6,684,700	102.500	6,851,817.50
4.75% Best Deal Properties Holding plc Secured € 2025-2027	15,000,000	99.990	14,998,500.00
4.5% BNF Bank plc Unsecured Subordinated € 2027-2032	20,000,000	100.000	20,000,000.00
3.75% Bortex Group Finance plc Secured € 2027	12,750,000	100.000	12,750,000.00
3.9% Browns Pharma Holdings plc Unsecured Callable € 2027-2031	13,000,000	98.000	12,740,000.00
4% Cablenet Communication Systems plc Unsecured € 2030	40,000,000	97.500	39,000,000.00
5.25% Central Business Centres plc Unsecured € 2025 S2 T1	2,985,000	100.500	2,999,925.00
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	6,000,000	99.000	5,940,000.00
4% Central Business Centres plc Unsecured € 2027-2033	21,000,000	98.000	20,580,000.00
4.25% CPCL Finance plc Unsecured € 2026	40,000,000	100.000	40,000,000.00
4.75% Dino Fino Finance plc Secured € 2033	7,800,000	100.010	7,800,780.00
5% Dizz Finance plc Unsecured € 2026	8,000,000	97.160	7,772,800.00
4% Eden Finance plc Unsecured € 2027	40,000,000	99.450	39,780,000.00
4.5% Endo Finance plc Unsecured € 2029	13,500,000	98.500	13,297,500.00
4% Exalco Finance plc Secured € 2028	15,000,000	99.900	14,985,000.00
4.5% G3 Finance plc Secured € 2032	12,500,000	100.500	12,562,500.00
4.25% GAP Group plc Secured € 2023	8,349,900	100.000	8,349,900.00
3.7% GAP Group plc Secured € 2023-2025 Series 1	21,000,000	97.000	20,370,000.00
3.9% GAP Group plc Secured € 2024-2026	21,000,000	98.700	20,727,000.00
4.75% GAP Group plc Secured € 2025-2027	23,000,000	101.500	23,345,000.00
3.5% GO plc Unsecured € 2031	60,000,000	93.000	55,800,000.00
4.5% Grand Harbour Marina plc Unsecured € 2027	15,000,000	98.000	14,700,000.00
5% Hal Mann Vella Group plc Secured € 2024	30,000,000	100.000	30,000,000.00
3.85% Hili Finance Company plc Unsecured € 2028	40,000,000	96.000	38,400,000.00
3.8% Hili Finance Company plc Unsecured € 2029	80,000,000	93.500	74,800,000.00
4% Hili Finance Company plc Unsecured € 2027	50,000,000	97.850	48,925,000.00
4.5% Hili Properties plc Unsecured € 2025	37,000,000	99.900	36,963,000.00
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	98.000	11,760,000.00
5.8% International Hotel Investments plc € 2023	10,000,000	100.000	10,000,000.00
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	102.000	45,900,000.00
4% International Hotel Investments plc Secured € 2026	55,000,000	99.000	54,450,000.00
4% International Hotel Investments plc Unsecured € 2026	60,000,000	99.500	59,700,000.00
3.65% International Hotel Investments plc Unsecured € 2031	80,000,000	90.000	72,000,000.00
6% International Hotel Investments plc € 2024	35,000,000	101.500	35,525,000.00
4.25% IZI Finance plc Unsecured € 2029	30,000,000	99.000	29,700,000.00
4.5% Izola Bank plc Unsecured € 2025	3,186,000	103.000	3,281,580.00
5% Izola Bank plc Unsecured € 2027-2032	14,000,000	100.000	14,000,000.00
4.85% JD Capital plc Secured € 2032 Series 1 Tranche 1	14,000,000	99.990	13,998,600.00
4% LifeStar Insurance plc Unsecured Subordinated € 2026-2031	2,431,300	100.000	2,431,300.00
4% Malta Properties Company plc Secured € 2032 S1/2022 T1	25,000,000	99.900	24,975,000.00
5.3% Mariner Finance plc Unsecured € 2024	35,000,000	101.500	35,525,000.00
5% MeDirect Bank (Malta) plc Subordinated Unsecured € 2022-2027	18,651,000	100.000	18,651,000.00
5% MeDirect Bank (Malta) plc Subordinated Unsecured € 2022-2027	1,188,000	100.000	1,341,630.06
4% MeDirect Bank (Malta) plc Subordinated Unsecured € 2024-2029	32,202,000	94.000	30,269,880.00
4% MeDirect Bank (Malta) plc Subordinated Unsecured € 2024-2029	2,417,000	100.000	2,729,562.16
5.5% Mediterranean Investments Holding plc Unsecured € 2023	20,000,000	100.000	20,000,000.00
5.25% Mediterranean Investments Holding plc Unsecured € 2027	30,000,000	102.490	30,747,000.00
4.8% Mediterranean Maritime Hub Finance plc Unsecured € 2026	15,000,000	99.920	14,988,000.00
6% MedservRegis plc Secured and Guaranteed € Notes 2020-2023 S1 T1	7,648,800	97.000	7,419,336.00
4.5% MedservRegis plc Unsecured € 2026	21,982,400	97.500	21,432,840.00
5.75% MedservRegis plc Unsecured US\$ 2026	9,148,100	95.000	8,161,043.29
5% MedservRegis plc Secured € 2029	13,000,000	101.900	13,247,000.00
4.85% Melite Finance plc Secured € 2028	9,250,000	85.000	7,862,500.00
3.75% Mercury Projects Finance plc Secured € 2027	11,500,000	99.490	11,441,350.00
4.25% Mercury Projects Finance plc Secured € 2031	11,000,000	97.000	10,670,000.00
4.30% Mercury Projects Finance plc Secured € 2032	50,000,000	97.000	48,500,000.00
4% Merkanti Holding plc Secured € 2026	25,000,000	98.000	24,500,000.00
4% MIDI plc Secured € 2026	50,000,000	100.000	50,000,000.00
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	45,000,000	94.000	42,300,000.00
6% Multitude Bank plc Subordinated Unsecured € 2032 S1/22 T1	5,052,000	100.000	5,052,000.00
4.15% Phoenicia Finance Company plc Unsecured € 2023-2028	25,000,000	90.000	22,500,000.00
3.9% Plaza Centres plc Unsecured € 2026	5,680,000	100.000	5,680,000.00
3.75% Premier Capital plc Unsecured € 2026	65,000,000	97.000	63,050,000.00

Market Capitalisation as at 31 December 2022 - continued

Security	No of Shares	Close Price	Capitalisation in Euro
Corporate Bonds - Continued			
4.35% SD Finance plc Unsecured € 2027	65,000,000	97.000	63,050,000.00
4% Shoreline Mall plc Secured € 2026	14,000,000	96.000	13,440,000.00
4.5% Shoreline Mall plc Secured € 2032	26,000,000	97.900	25,454,000.00
3.5% Simonds Farsons Cisk plc Unsecured € 2027	20,000,000	100.100	20,020,000.00
4.65% Smartcare Finance plc Secured € 2031	13,000,000	100.000	13,000,000.00
4.65% Smartcare Finance plc Secured € 2032	7,500,000	101.000	7,575,000.00
4% SP Finance plc Secured € 2029	12,000,000	96.000	11,520,000.00
4.55% St Anthony Co plc Secured € 2032	15,500,000	100.000	15,500,000.00
4% Stivala Group Finance plc Secured € 2027	45,000,000	99.980	44,991,000.00
3.65% Stivala Group Finance plc Secured € 2029	15,000,000	95.000	14,250,000.00
4.50% The Ona plc Secured € 2028-2034	16,000,000	99.000	15,840,000.00
5.9% Together Gaming Solutions plc Unsecured Callable € 2024-2026	14,762,100	99.000	14,614,479.00
3.75% TUM Finance plc Secured € 2029	20,000,000	90.500	18,100,000.00
5% Tumas Investments plc Unsecured € 2024	25,000,000	100.600	25,150,000.00
3.75% Tumas Investments plc Unsecured € 2027	25,000,000	99.000	24,750,000.00
5.3% United Finance plc Unsecured € 2023	8,500,000	100.710	8,560,350.00
3.75% Virtu Finance plc Unsecured € 2027	25,000,000	97.000	24,250,000.00
5% Von der Heyden Group Finance plc Unsecured € 2032	35,000,000	100.000	35,000,000.00
Total:			2,254,402,031.01
Malta Government Stocks			
0.1% Malta Government Stock 2026 (IV)	183,000,000	100.867	184,586,244.00
0.25% Malta Government Stock 2026 (III)	163,711,000	90.040	147,405,384.40
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	103.276	171,025,056.00
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 2027 (V)	110,000,000	100.994	111,093,400.00
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	88.330	225,241,500.00
1% Malta Government Stock 2035 (II)	144,200,000	95.800	138,143,600.00
1.2% Malta Government Stock 2037 (I)	85,900,000	79.680	68,445,120.00
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	101.200	203,412,000.00
1.40% Malta Government Stock 2046 (I)	145,800,000	103.000	150,174,000.00
1.5% Malta Government Stock 2027 (I)	90,954,500	104.250	94,820,066.25
1.5% Malta Government Stock 2045 (I)	153,700,000	80.000	122,960,000.00
1.6% Malta Government Stock 2032 (III)	58,400,000	102.894	60,090,154.40
1.7% Malta Government Stock 2028 (IV)	58,100,000	101.136	58,760,248.40
1.8% Malta Government Stock 2051 (I)	127,164,700	65.000	82,657,055.00
1.85% Malta Government Stock 2029 (III)	286,500,000	112.000	320,880,000.00
2% Malta Government Stock 2051 (II)	129,100,000	103.520	133,644,320.00
2.1% Malta Government Stock 2039 (I)	159,102,100	100.000	159,102,100.00
2.1% Malta Government Stock 2032 (IV)	20,000,000	93.750	18,750,000.00
2.2% Malta Government Stock 2035 (I)	20,539,100	84.860	17,429,480.26
2.3% Malta Government Stock 2029 (II)	143,518,400	95.200	136,629,516.80
2.4% Malta Government Stock 2041 (I)	153,669,800	89.000	136,766,122.00
2.4% Malta Government Stock 2052 (I)	69,000,000	88.830	61,292,700.00
2.5% Malta Government Stock 2036 (I)	221,733,100	89.570	198,606,337.67
2.6% Malta Government Stock 2028 (V)	120,028,100	99.000	118,827,819.00
2.6% Malta Government Stock 2047 (I)	20,000,000	101.299	20,259,860.00
2.9% Malta Government Stock 2032 (VI)	57,720,300	96.140	55,492,296.42
3% Malta Government Stock 2040 (I)	162,276,100	96.000	155,785,056.00
3.3% Malta Government Stock 2024 (II)	24,051,100	103.990	25,010,738.89
3.4% Malta Government Stock 2027 (VI) FI Nov 2022	75,500,000	101.416	76,568,778.00
3.4% Malta Government Stock 2027 (VI) R	52,844,400	100.000	52,844,400.00
3.4% Malta Government Stock 2042 (I)	22,866,000	100.330	22,941,457.80
3.7% Malta Government Stock 2030 (II)	139,900,000	101.753	142,352,447.00
4% Malta Government Stock 2032 (VII) R	240,297,300	102.000	245,103,246.00
4.1% Malta Government Stock 2034 (I)	200,075,700	107.990	216,061,748.43
4.3% Malta Government Stock 2033 (I)	150,699,900	103.650	156,200,446.35
4.45% Malta Government Stock 2032 (II)	153,111,700	104.850	160,537,617.45
4.5% Malta Government Stock 2028 (II)	286,651,500	105.000	300,984,075.00
4.65% Malta Government Stock 2032 (I)	140,454,200	106.300	149,302,814.60
4.8% Malta Government Stock 2028 (I)	107,029,500	105.500	112,916,122.50
5.1% Malta Government Stock 2029 (I)	79,144,900	109.500	86,663,665.50
5.2% Malta Government Stock 2031 (I)	201,343,600	111.710	224,920,935.56
5.25% Malta Government Stock 2030 (I)	440,165,700	110.250	485,282,684.25
5.5% Malta Government Stock 2023 (I)	78,811,283	101.920	80,324,459.63
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
7% Malta Government Stock 2032 (V)	677,400	100.000	677,400.00
Total:			7,343,530,561.21
Treasury Bills			
91 Day Treasury Bill 06.10.22 - 05.01.23	45,000,000	99.7672	44,895,240.00
91 Day Treasury Bill 13.10.22 - 12.01.23	35,000,000	99.7373	34,908,055.00
91 Day Treasury Bill 20.10.22 - 19.01.23	28,100,000	99.7071	28,017,695.10
91 Day Treasury Bill 27.10.22 - 26.01.23	27,200,000	99.6895	27,115,544.00
91 Day Treasury Bill 03.11.22 - 02.02.23	32,050,000	99.6027	31,922,665.35
91 Day Treasury Bill 10.11.22 - 09.02.23	20,570,000	99.5954	20,486,773.78
91 Day Treasury Bill 17.11.22 - 16.02.23	26,550,000	99.5335	26,426,144.25
91 Day Treasury Bill 24.11.22 - 23.02.23	24,200,000	99.5240	24,084,808.00
91 Day Treasury Bill 01.12.22 - 02.03.23	26,150,000	99.4907	26,016,818.05
91 Day Treasury Bill 15.12.22 - 16.03.23	55,450,000	99.4597	55,150,403.65
91 Day Treasury Bill 22.12.22 - 23.03.23	41,280,000	99.4577	41,056,138.56
91 Day Treasury Bill 29.12.22 - 30.03.23	41,900,000	99.4407	41,665,653.30
92 Day Treasury Bill 07.12.22 - 09.03.23	31,540,000	99.4662	31,371,639.48
181 Day Treasury Bill 29.12.22 - 28.06.23	22,900,000	98.8058	22,626,528.20
182 Day Treasury Bill 07.07.22 - 05.01.23	18,000,000	99.7826	17,960,868.00
182 Day Treasury Bill 21.07.22 - 19.01.23	13,500,000	99.7725	13,469,287.50
182 Day Treasury Bill 28.07.22 - 26.01.23	30,500,000	99.5371	30,358,815.50
182 Day Treasury Bill 04.08.22 - 02.02.23	10,500,000	99.5144	10,449,012.00
182 Day Treasury Bill 11.08.22 - 09.02.23	38,500,000	99.4855	38,301,917.50
182 Day Treasury Bill 18.08.22 - 16.02.23	22,000,000	99.5852	21,908,744.00
182 Day Treasury Bill 25.08.22 - 23.02.23	31,500,000	99.4338	31,321,647.00
182 Day Treasury Bill 01.09.22 - 02.03.23	16,000,000	99.4106	15,905,696.00
182 Day Treasury Bill 15.09.22 - 16.03.23	19,000,000	99.2763	18,862,497.00

Market Capitalisation as at 31 December 2022 - continued

Security	No of Shares	Close Price	Capitalisation in Euro
Treasury Bills - Continued			
182 Day Treasury Bill 29.09.22 - 30.03.23	8,000,000	99.1941	7,935,528.00
182 Day Treasury Bill 06.10.22 - 06.04.23	10,750,000	99.1096	10,654,282.00
182 Day Treasury Bill 13.10.22 - 13.04.23	2,500,000	99.0734	2,476,835.00
182 Day Treasury Bill 20.10.22 - 20.04.23	550,000	99.0759	544,917.45
182 Day Treasury Bill 03.11.22 - 04.05.23	1,100,000	99.0079	1,089,086.90
182 Day Treasury Bill 17.11.22 - 18.05.23	13,220,000	98.9391	13,079,749.02
182 Day Treasury Bill 24.11.22 - 25.05.23	7,900,000	98.9005	7,813,139.50
182 Day Treasury Bill 01.12.22 - 01.06.23	18,300,000	98.8456	18,088,744.80
182 Day Treasury Bill 15.12.22 - 15.06.23	5,150,000	98.8022	5,088,313.30
183 Day Treasury Bill 07.09.22 - 09.03.23	21,000,000	99.4153	20,877,213.00
183 Day Treasury Bill 07.12.22 - 08.06.23	14,000,000	98.7838	13,829,732.00
273 Day Treasury Bill 05.05.22 - 02.02.23	12,500,000	99.5144	12,439,300.00
273 Day Treasury Bill 23.06.22 - 23.03.23	19,000,000	99.3566	18,877,754.00
273 Day Treasury Bill 14.07.22 - 13.04.23	4,500,000	99.2511	4,466,299.50
273 Day Treasury Bill 27.10.22 - 27.07.23	8,285,000	98.4538	8,156,897.33
364 Day Treasury Bill 27.01.22 - 26.01.23	6,000,000	100.3806	6,022,836.00
364 Day Treasury Bill 17.03.22 - 16.03.23	10,000,000	100.3419	10,034,190.00
364 Day Treasury Bill 09.06.22 - 08.06.23	3,000,000	99.5471	2,986,413.00
364 Day Treasury Bill 22.12.22 - 21.12.23	23,550,000	97.1341	22,875,080.55
Total:			841,618,902.57
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	6,338,623.34
5% Hom Re Limited Unsecured US\$ Bonds 2030	50,200,000	100.000	47,140,576.58
Total:			59,479,199.92
Exchange Traded Funds			
Metatron Long Term Equity Fund EUR Class D Capitalisation Participating Shares	262,824.6616	229.0153	60,190,868.72
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	98.000	1,748,320.00
5.5% Anchovy Studios plc Unsecured € 2027	1,000,000	101.000	1,010,000.00
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	99.750	4,987,500.00
5% Busy Bee Finance plc Unsecured € 2029	5,000,000	100.000	5,000,000.00
4.25% Calamatta Cuschieri Finance plc Unsecured Callable € 2024-2026	4,000,000	100.000	4,000,000.00
4.9% Class Finance plc Unsecured € 2032	3,000,000	100.000	3,000,000.00
5.35% D Shopping Malls Finance plc Unsecured € 2028	7,500,000	93.750	7,031,250.00
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	100.000	5,000,000.00
7.25% Hart Capital Partners (Europe) plc Secured Callable € 2025-2027	3,000,000	100.000	3,000,000.00
5% HH Finance plc Unsecured € 2023-2028	5,000,000	98.500	4,925,000.00
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	100.000	3,700,000.00
4.75% KA Finance plc Secured Callable € 2026-2029	6,000,000	93.000	5,580,000.00
5.25% Klikk Finance plc Unsecured € 2027	1,800,000	100.000	1,800,000.00
5% Luxury Living Finance plc Secured € 2028	8,000,000	99.800	7,984,000.00
4.75% Orion Finance plc Unsecured € 2027	4,450,000	99.500	4,427,750.00
5.75% Pharmicare Finance plc Unsecured € 2025-2028	5,000,000	100.000	5,000,000.00
5.5% Testa Finance plc € 2029	3,900,000	99.300	3,872,700.00
5% The Convenience Shop Holding plc Unsecured Callable € 2026-2029	5,000,000	101.000	5,050,000.00
5.5% Yacht Lift Malta plc Secured Callable € 2021-2025	2,000,000	100.000	2,000,000.00
Total:			87,851,520.00

Collective Investment Funds Investing in MSE Listed Securities

Fund	Net Asset Value in EURO 31 Dec 22	Net Asset Value in EURO 31 Dec 21
Amalgamated Funds SICAV plc - Growth and Income Fund	65,251,854.15*	63,910,320**
APS Funds SICAV plc - APS Income Fund	69,557,830	88,409,042
Calamatta Cuschieri Funds SICAV plc - Malta Government Bond Fund	33,338,894	37,586,274
Calamatta Cuschieri Funds SICAV plc - Malta Balanced Income Fund Class A EUR Accumulation Investor Shares	8,567,542	8,026,097
Calamatta Cuschieri Funds SICAV plc - Malta Balanced Income Fund Class B EUR Distribution Investor Shares	13,369,701	14,007,230
HSBC Malta Funds SICAV plc - Malta Bond Fund	120,019,768	148,854,603
HSBC Malta Funds SICAV plc - Malta Government Bond Fund	62,645,409	97,201,295
HSBC Malta Funds SICAV plc - Maltese Assets Fund	48,209,578	48,178,088
Kylin Prime SICAV plc - Malta Government Securities Fund Class A EUR MGS Shares	903,171***	1,145,264****
Magiston Funds SICAV plc - Integra New Horizon Fund Class H EUR Distribution Shares	11,574,513	12,421,661
Vilhena Funds SICAV plc - Malta Bond Fund	139,950,788	163,810,706
Vilhena Funds SICAV plc - Malta Fund	36,348,186	42,487,990
Vilhena Funds SICAV plc - Malta Government Bond Fund	213,560,872	314,272,828
Vilhena Funds SICAV plc - Maltese Equity Focus Fund	12,305,970	14,825,215
Vilhena Funds SICAV plc - Maltese Opportunities Fund	20,706,879	24,857,821

*Valuation as at 30 November 2022 **Valuation as at 10 December 2021 ***Valuation as at 30 June 2022 ****Valuation as at 30 September 2021

Securities Listed on the Regulated Main Market

as at 31 December 2022

Equities		33
Corporate Bonds		91
Government Stocks		61
Treasury Bills		42
Exchange Traded Funds		1
Collective Investment Schemes	Primary Listed - 49 Secondary Listed - 12	
Total:		289

IFSM Listed Securities

as at 31 December 2022

Equities		-
Corporate Bonds		4
Total:		4

Securities Admitted on the Prospects MTF Market

as at 31 December 2022

Equities		1
Corporate Bonds		22
Total:		23

Admissions During 2022

Equities

359,715,661	APS Bank plc Ordinary Shares €0.25
7,201,507	APS Bank plc Ordinary Shares €0.25
97,193,600	AX Real Estate plc Ordinary A Shares €0.125
596,906	Lombard Bank Malta plc Ordinary Shares €0.25
45,363,867	Lombard Bank Malta plc Ordinary Shares €0.125
44,000,000	M&Z plc Ordinary Shares €0.125
24,121,158	RS2 Software plc Ordinary Shares €0.06
1,123,729	RS2 Software plc Preference Shares €0.06
6,000,000	Simonds Farsons Cisk plc Ordinary Shares €0.30
3,571,428	VBL plc Ordinary Shares €0.20

Corporate Bonds

40,000,000	3.5% AX Real Estate plc Unsecured € Bonds 2032
21,000,000	3.9% Gap Group plc Secured € Bonds 2024-2026
50,000,000	4% Hill Finance Company plc Unsecured € Bonds 2027
25,000,000	4% Malta Properties Company plc Secured € Bonds 2032 S1/2022 T1
30,000,000	4.25% IZI Finance plc Unsecured € Bonds 2029
50,000,000	4.30% Mercury Projects Finance plc Secured € Bonds 2032
20,000,000	4.5% BNF Bank plc Unsecured Subordinated € Bonds 2027-2032
12,500,000	4.5% G3 Finance plc Secured € Bonds 2032
16,000,000	4.50% The Ona plc Secured € Bonds 2028-2034
15,500,000	4.55% St Anthony Co plc Secured € Bonds 2032
7,500,000	4.65% Smartcare Finance plc Secured € Bonds 2032
15,000,000	4.75% Best Deal Properties Holding plc Secured € Bonds 2025-2027
23,000,000	4.75% GAP Group plc Secured € Bonds 2025 - 2027
14,000,000	4.85% JD Capital plc Secured € Bonds 2032 Series 1 Tranche 1
14,000,000	5% Izola Bank plc Unsecured € Bonds 2027-2032
13,000,000	5% MedservRegis plc Secured € Bonds 2029
35,000,000	5% Von der Heyden Group Finance plc Unsecured € Bonds 2032
30,000,000	5.25% Mediterranean Investments Holding plc Unsecured € Bonds 2027
5,052,000	6% Ferratum Bank plc Subordinated Unsecured € Bonds 2032 S1/22 T1 (name changed to Multitude Bank plc on 1 Oct 2022)

Malta Government Stocks

110,000,000	0.9% Malta Government Stock 2027 (V)
58,400,000	1.6% Malta Government Stock 2032 (III)
58,100,000	1.7% Malta Government Stock 2028 (IV)
20,000,000	2.1% Malta Government Stock 2032 (IV)
69,000,000	2.4% Malta Government Stock 2052 (I)
106,465,000	2.6% Malta Government Stock 2028 (V) I
13,563,100	2.6% Malta Government Stock 2028 (V) R
20,000,000	2.6% Malta Government Stock 2047 (I)
34,400,000	2.9% Malta Government Stock 2032 (VI) I
23,320,300	2.9% Malta Government Stock 2032 (VI) R
75,500,000	3.4% Malta Government Stock 2027 (VI) FI November 2022
52,844,400	3.4% Malta Government Stock 2027 (VI) R
2,000,000	3.4% Malta Government Stock 2042 (I) I
20,866,000	3.4% Malta Government Stock 2042 (I) R
139,900,000	3.7% Malta Government Stock 2030 (II)
240,297,300	4% Malta Government Stock 2032 (VII) R
677,400	7% Malta Government Stock 2032 (V)

Treasury Bills

2,511,192,000	103 issues of Treasury Bills
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Exchange Traded Funds

58,608.4101	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	DTTK SICAV plc

Prospects MTF Corporate Bonds

3,000,000	4.9% Class Finance plc Unsecured € 2032
3,000,000	7.25% Hart Capital Partners Europe plc Secured Callable € 2025-2027

Development and testing of new modules for the Officially Appointed Mechanism (OAM), which is operated and maintained by the Exchange, were completed in time for the introduction of the European Single Electronic Format (ESEF). In 2022, ESEF was launched and for the first time, in April 2022, listed companies were able to publish their financial statements on the OAM in the new format for financial years starting on or after 1 January 2021.

Testing and development of the modules related to the Eurosystem Single Market Infrastructure Gateway (ESMIG) project in the Exchange's CSD software continued throughout 2022. ESMIG aims to consolidate both Target2 and T2S and is required for the Exchange to offer its settlement-related services. The ESMIG project and the new CSD modules are scheduled to go live during the first quarter of 2023.

Throughout the year, the Exchange continued to invest in its IT infrastructure to improve efficiency in providing services to stakeholders. Existing IT services were extended to handle secure document exchange with Issuers and Members, and new hardware and network devices were introduced. The reconfiguration of the business continuity plan, which involved removing a secondary site for disaster recovery, also required the relocation of servers and cabinets to a new data centre.

The Exchange engaged external third-party providers to conduct a penetration testing exercise in the latter months of the year. Based on the outcome of this testing, areas were detected and identified that required attention against cybersecurity threats and the necessary improvements were implemented to ensure that the Exchange's infrastructure was kept up to date with the evolving threat landscape.

National Numbering Agency

A total of 313 International Securities Identification Numbers (ISINs) were issued in 2022. Of these, 150 ISINs were issued for financial instruments listed on the Exchange and another 163 were issued for unlisted securities.

Reporting in line with the European Markets Infrastructure Regulation

At the end of 2022, 18 counterparties and 167 delegating counterparties were using the Exchange's European Markets Infrastructure Regulation (EMIR) reporting service. In total, 22,677 trades were reported through the MSE's reporting facility in 2022.

Malta Stock Exchange Institute

The Malta Stock Exchange Institute (MSEI) is now in its fifth year of operations and has established itself as a leading provider

of educational courses for the financial services sector. This is evidenced by the sustained interest in its courses, as well as requests for bespoke courses for individual organisations. In 2022, the Institute organised 102 courses for the financial services sector. These courses received significant interest, with 1,200 applications submitted for attendance. All courses were offered virtually, as feedback showed that attendees overwhelmingly prefer this delivery method.

The Institute offered a total of 67 unique courses that broadly fell under the following subject areas: capital markets, cryptocurrencies and NFTs, cybersecurity, financial reporting, tax and vat, fund administration and management, human resources, portfolio risk, regulations, legislation and compliance, risk management and trusts.

As in previous years, the Institute introduced various new courses to ensure that the subject matter offered remains relevant. Feedback from attendees remained consistently favourable, with most attendees indicating high levels of satisfaction with the organisation of the courses, the lecturer and the course content, and indicated that they would recommend the course and the Institute to their friends and colleagues. The MSEI promoted the courses, which also attracted attendance from outside Malta, through the MSE's website and via e-mail and social media.

Erasmus Plus Projects

Throughout the year, the Institute continued to participate in the Erasmus Plus Framework through various projects. The I Don't Know project, which was led and co-ordinated by the MSEI, was concluded in Quarter 4, 2022. This project led to the creation of online training programmes aimed at increasing the level of financial literacy among youths aged 16 to 20. The partners in this project were KIST Consult (Austria), International Business College (Denmark), Ålands yrkesgymnasium (Finland), and two in Croatia, Obrtna tehnicka skola and Poljoprivredno sumarska skola Vinkovci. The conference to showcase the project and launch the website, which was held at the Exchange in October, was attended by over 60 participants.

The MSEI was awarded a further project, entitled Fairness, which is designed to create a training programme outlining the various sources of capital available to Small and Medium Enterprises (SMEs) and how to access them. This project is co-ordinated by the MSEI, and the partners are South-West University Neofit Riski (Bulgaria), Exeo Lab Srl (Italy), European Projects and Training (Bulgaria), META4 Innovations (Austria) and Vernian RTI (Cyprus).

The MSEI is currently also a partner in another project, entitled Beyond Capital – The Next Generation of Social Enterprises, which is being led and co-ordinated by the Maltese-Italian Chamber of Commerce.

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 2022

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 Capital Markets 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 2022, 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 Executive Chairman undertakes to maintain in all circumstances his independence of analysis, decision and action. The Executive 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 2022, the Board is composed of an Executive Chairman and five 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.

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 options 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 2022, are:

Mr Steven Tedesco (Chairman);
Dr Stephanie Fabri;
Mr Michael Parnis (appointed on 27th June 2022);
Mr Joseph Portelli; and
Ms Charmaine Baldacchino.

Mr Tedesco, Dr Fabri and Mr Parnis are independent, non-executive directors. Mr Tedesco has been appointed by the Board of Directors to act as Chair to the Audit Committee. Mr Tedesco and Ms Baldacchino, who is the Exchange's Chief Financial Officer, are competent in accounting and auditing.

The Audit Committee met eleven times in 2022. The External Auditors were invited to and attended one of these meetings to discuss the 2021 Annual Report. The Chair of the Internal Audit Working Committee attended the meetings of the Audit Committee in 2022 and the Internal Auditor attended three Audit Committee meetings in 2022.

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 2022, are:

Prof Joseph Falzon (Chairman);
Mr Maurice Gruppetta (appointed on 27th June 2022);
Mr Joseph Portelli;
Mr Simon Zammit;
Mr Alfred Sammut;
Ms Charmaine Baldacchino; and
Ms Marie Cordina.

The Risk Management Committee met four times in 2022.

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 2022, are:

Mr Maurice Gruppetta (Chairman) (appointed on 29th August 2022);
Prof Joseph Falzon (appointed on 29th August 2022);
Mr Steven Tedesco;
Dr Stephanie Fabri; and
Mr Joseph Portelli.

The Remuneration Committee met two times in 2022.

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 Executive 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 2022, except for changes in the Board and Committees composition due to the appointment of two non-executive Board Members.

Principle 8: Audit committee

The Audit Committee is composed of three 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 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.

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.

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.

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 Corporate Services Officer (Chairman), the Assistant General Manager Board and Executive Secretariat, the Chief Technical Officer, Senior Manager Compliance and Prospects MTF Business Conduct Office 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.





DIRECTORS' REPORT





DIRECTORS'

REPORT

For the Year Ended 31 December 2022

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 2022.

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.

2022 was a challenging year for both the Maltese economy and the economies in the so-called 'Western' world. Although in late 2021 and early 2022 we witnessed both the local and international economies staging a strong recovery post the Covid-19 pandemic, the worsening geopolitical tensions that followed the start of the military conflict between Russia and Ukraine led to serious energy and food supply shortages that propelled worldwide inflation, particularly in Europe, to their highest levels last seen in the stagflation scenario of the late seventies/early eighties. Inflation in Malta was relatively curtailed compared to other countries in Europe as the Government subsidised increases in energy prices, however it was still exceeding the 7% as at end December 2022. As at the date of the report, whilst inflationary pressures have receded both in Europe and in the US, they are still much higher than the 2% inflation target set by the European Central Bank and

the US Federal Reserve, and uncertainty continues to dominate sentiment both locally and globally.

On a positive note, the announcement during 2022 that Malta was no longer subject to the FATF's increased monitoring process, eliminated the risk of a prolonged grey listing status which could have eventually impacted the Maltese economy in general, including the Company's future performance and efforts to attract new foreign business. The successful removal from the FATF grey list is the result of a collective effort at country level, which effort needs to be retained by all relevant stakeholders to ensure that Malta does not find itself in a similar position and to re-position the country as a financial services hub at international level.

Despite the persistent shocks in the economy from the pandemic and the unstable geopolitical environment, the Company remained highly resilient during this challenging period and attained excellent financial results, while it also continued to support its customers. The balance sheet and liquidity of the Company remained very strong, nonetheless we should also acknowledge that if, even though not forecasted to, the local economic conditions deteriorate significantly, this might eventually adversely impact the Company's customers and the Company itself. The Directors and the management of the Company will hence continue to actively monitor all developments taking place internationally and locally in an endeavour to take the immediate necessary action needed in the eventuality that developments start impacting the Company's turnover and business activity.

Review of business development and financial position

During 2022, the Company generated a profit before tax of EUR 4,644,461 (2021: EUR 4,174,472). Total assets as at 31 December 2022 stood at EUR 12,286,256 (2021: EUR 12,927,050) while Capital and Reserves stood at EUR 9,352,061 (2021: EUR 10,139,477). 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 (2021: EUR 3,700,000). The Directors do not propose further dividend distributions for the year.

Reserves

The Directors propose that retained earnings amounting to EUR 6,921,155 (2021: EUR 7,574,659) be carried forward to the next financial year.

Regulatory sanctions

The Directors confirm that no regulatory breaches were reported in 2022 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 internationally. 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 and the Malta Stock Exchange Institute. It will also endeavour to introduce operations that may bolster the depth of liquidity in the local capital markets.

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;
Mr Maurice Gruppetta (appointed on 2nd June 2022);
Mr Michael Parnis (appointed on 1st May 2022).

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 24 April 2023 and signed on its behalf by:



JOSEPH PORTELLI
Chairman



JOSEPH FALZON
Deputy Chairman

Registered office

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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 2022

BORZA TA'
MALTA
MALTA STOCK EXCHANGE

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Notes	2022 EUR	2021 EUR
ASSETS			
Non-current assets			
Property, plant and equipment	5	505,873	718,236
Intangible assets	6	26,436	34,092
Financial assets at FVOCI	7	2,320,872	914,966
Deferred tax asset	8	51,067	66,810
Other financial assets	9	1,200,000	1,200,000
		4,104,248	2,934,104
Current assets			
Trade and other receivables	10	2,515,750	3,159,388
Cash and cash equivalents	11	5,666,258	4,424,558
Other financial assets	9	-	2,409,000
		8,182,008	9,992,946
TOTAL ASSETS		12,286,256	12,927,050
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	12.1	2,500,000	2,500,000
Fair value reserve	12.3	(103,649)	19,353
Social responsibility fund	12.4	34,555	45,465
Retained earnings		6,921,155	7,574,659
		9,352,061	10,139,477
Non-current liability			
Lease liabilities	15	50,002	125,455
		50,002	125,455
Current liabilities			
Bank borrowings	13	-	3,474
Trade and other payables	14	2,525,753	2,264,448
Lease liabilities	15	40,193	130,729
Current tax liability		318,247	263,467
		2,884,193	2,662,118
Total liabilities		2,934,195	2,787,573
TOTAL EQUITY AND LIABILITIES		12,286,256	12,927,050

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 24 April 2023 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 2022

	Notes	2022 EUR	2021 EUR
Revenue	16	8,337,670	7,409,291
Cost of revenue	17	(214,722)	(172,124)
Gross profit		8,122,948	7,237,167
Administrative expenses	17	(3,579,163)	(3,120,095)
Reversals / (increase) in impairment allowances		11,279	(48,019)
Write-off of property, plant and equipment and intangible assets		(6,794)	(13,996)
Operating profit		4,548,270	4,055,057
Rental income		31,284	70,400
Income from financial assets at FVOCI	18	33,887	20,848
Finance income	19	44,166	48,321
Finance costs	19	(13,146)	(20,154)
Profit before tax		4,644,461	4,174,472
Income tax expense	20	(1,608,875)	(1,467,239)
Profit for the year		3,035,586	2,707,233
Other comprehensive income			
Items that are or may be reclassified to profit or loss			
Financial assets at FVOCI:			
Net fair value (losses) / gains		(123,002)	13,094
Other comprehensive (loss) / gain for the year		(123,002)	13,094
Total comprehensive income for the year		2,912,584	2,720,327

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 2022

	Notes	Issued capital EUR	Fair value reserve EUR	Social responsibility fund EUR	Retained earnings EUR	Total EUR
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
At 1 January 2022		2,500,000	19,353	45,465	7,574,659	10,139,477
Profit for the year		-	-	-	3,035,586	3,035,586
Other comprehensive loss for the year		-	(123,002)	-	-	(123,002)
Total comprehensive income		-	(123,002)	-	3,035,586	2,912,584
Net movement for the year	12.4	-	-	(10,910)	10,910	-
Transactions with owners of the Company						
Contributions and distributions						
Dividends declared and paid	12.2	-	-	-	(3,700,000)	(3,700,000)
At 31 December 2022		2,500,000	(103,649)	34,555	6,921,155	9,352,061

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 2022

	Notes	2022 EUR	2021 EUR
Operating activities			
Profit before tax		4,644,461	4,174,472
Adjustments for:			
Depreciation of property, plant and equipment	5	212,723	220,945
Amortisation of intangible assets	6	14,997	16,466
Finance income	18/19	(78,053)	(69,169)
Finance costs	19	13,146	20,154
Write offs of property, plant and equipment and intangible assets		6,794	13,996
Gain on lease modification		(8,704)	-
(Reversal) / Write offs and impairment allowances		(11,279)	48,019
		4,794,085	4,424,883
Changes in:			
Trade and other receivables		650,472	(760,050)
Trade and other payables		261,305	(316,343)
Cash generated from operating activities		5,705,862	3,348,490
Income taxes paid		(1,538,352)	(1,245,446)
Net cash flows generated from operating activities		4,167,510	2,103,044
Investing activities			
Acquisition of property, plant and equipment	5	(52,359)	(37,106)
Acquisition of intangible assets	6	(7,341)	(11,818)
Acquisition of financial assets at FVOCI		(1,529,576)	(429,292)
Interest received		83,166	73,289
Maturity of term deposits		2,409,000	1,250,000
Placements of term deposits		-	(1,200,000)
Net cash flows generated from / (used in) investing activities		902,890	(354,927)
Financing activities			
Dividends paid		(3,700,000)	(3,700,000)
Payments of lease liabilities		(112,080)	(128,925)
Interest paid		(13,146)	(20,154)
Cash flows used in financing activities		(3,825,226)	(3,849,079)
Net increase / (decrease) in cash and cash equivalents		1,245,174	(2,100,962)
Cash and cash equivalents at 1 January		4,421,084	6,522,046
Cash and cash equivalents at 31 December	11	5,666,258	4,421,084

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 2022

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 on the Company's operations brought about by the consequences of the war in Ukraine and related energy costs and inflation amongst other things.

The Company remained resilient during this challenging period and attained good results, while it continued to support its 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)*.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

3 Significant Accounting Policies (continued)

3.1 Property, plant and equipment (continued)

3.1.1 Property, plant and equipment (continued)

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
Trees	40 to 90 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: 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).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

3 Significant Accounting Policies (continued)

3.3 Financial instruments (continued)

3.3.2 Classification and subsequent measurement (continued)

Financial assets (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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)

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.

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

3 Significant Accounting Policies (continued)

3.5 Impairment (continued)

3.5.1 Financial assets (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

3 Significant Accounting Policies (continued)

3.7 Taxes (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

3 Significant Accounting Policies (continued)

3.11 Leases (continued)

Company as a lessee (continued)

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 2022

Some accounting pronouncements which have become effective from 1 January 2022 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 2022.

Other Standards and amendments that are effective for the first time in 2022 and that could be applicable to the Company are: Reference to the Conceptual Framework (amendments to IFRS 3); Covid-19 related rent concessions beyond 30 June 2021 (amendments to IFRS 16); Property, Plant and Equipment: Proceeds before intended use (amendments to IAS 16); Onerous Contracts – Cost of fulfilling a contract (amendments to IAS 37); and the Annual Improvements (2018-2020 Cycle). These amendments do not have a significant impact on these financial statements and therefore no additional disclosures have been made.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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	Trees EUR	Total EUR
Cost								
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
At 1 January 2022	543,629	334,148	1,049,962	382,969	723,853	89,192	-	3,123,753
Additions	-	-	1,505	35,773	10,364	29,818	4,717	82,177
Write-offs	(23,509)	(4,655)	(4,336)	(50,833)	(15,694)	(23,068)	-	(122,095)
Lease modification adjustments upon revised agreement terms	(155,181)	-	-	-	-	2,729	-	(152,452)
At 31 December 2022	364,939	329,493	1,047,131	367,909	718,523	98,671	4,717	2,931,383
Accumulated depreciation								
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
At 1 January 2022	346,313	169,646	877,512	349,499	618,146	44,401	-	2,405,517
Depreciation charge for the year	106,146	28,670	18,263	21,937	19,664	17,985	58	212,723
Write-offs	(23,509)	(3,530)	(2,031)	(50,833)	(12,330)	(23,068)	-	(115,301)
Lease modification adjustments upon revised agreement terms	(78,598)	-	-	-	-	1,169	-	(77,429)
At 31 December 2022	350,352	194,786	893,744	320,603	625,480	40,487	58	2,425,510
Carrying amount								
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
At 1 January 2022	197,316	164,502	172,450	33,470	105,707	44,791	-	718,236
At 31 December 2022	14,587	134,707	153,387	47,306	93,043	58,184	4,659	505,873

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

6 Intangible Assets

	Computer Software EUR
Cost	
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
At 1 January 2022	924,442
Additions	7,341
Write-offs	(2,812)
At 31 December 2022	928,971
Accumulated amortisation	
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
At 1 January 2022	890,350
Amortisation during the year	14,997
Write-offs	(2,812)
At 31 December 2022	902,535
Carrying amount	
At 1 January 2021	38,696
At 31 December 2021	34,092
At 1 January 2022	34,092
At 31 December 2022	26,436

7 Financial Assets at FVOCI

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

	2022 EUR	2021 EUR
Corporate Bonds	816,117	914,966
Malta Government Stocks	518,750	-
Treasury Bills	986,005	-
	2,320,872	914,966

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

7 Financial Assets at FVOCI (continued)

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

	Effective interest rate %	2022 EUR	2021 EUR
Corporate Bonds	2.91 - 3.71	919,971	895,613
Malta Government Stocks	3.17	518,545	-
Treasury Bills	4.24 - 4.58	986,005	-
		2,424,521	895,613

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

	2022 EUR	2021 EUR
Corporate Bonds	(103,854)	19,353
Malta Government Stocks	205	-
Treasury Bills	-	-
	(103,649)	19,353

8 Deferred Tax Asset

8.1 Recognised deferred tax asset

Deferred tax asset is attributable to the following:

	2022 EUR	2021 EUR
Plant and equipment	4,090	16,607
Accrued investment income	(1,143)	(1,864)
Impairment allowances	48,120	52,067
	51,067	66,810

8.2 Movement in temporary differences during the year

	Balance 01/01/2021 EUR	Recognised in profit or loss EUR	Balance 31/12/2021 EUR	Recognised in profit or loss EUR	Balance 31/12/2022 EUR
Plant and equipment	34,543	(17,936)	16,607	(12,517)	4,090
Accrued investment income	(2,436)	572	(1,864)	721	(1,143)
Impairment allowances	35,267	16,800	52,067	(3,947)	48,120
	67,374	(564)	66,810	(15,743)	51,067

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

9 Other Financial Assets

	2022 EUR	2021 EUR
Non-current assets:		
Term deposits with remaining maturities of more than one year	1,200,000	1,200,000
Current assets:		
Term deposits with remaining maturities of less than one year	-	2,400,000
Short-term bank guarantee	-	9,000
	-	2,409,000

Term deposits earn interest at a weighted average interest rate of 1.37% (2021: 1.34%) per annum.

The short-term bank guarantee disclosed in the comparative period was terminated during 2022.

10 Trade and Other Receivables

	2022 EUR	2021 EUR
Fees receivable net of impairment allowances (note 10.1)	2,294,171	2,579,429
Amounts due from related parties (note 10.2)	4,068	412,569
Prepayments and accrued income	212,136	167,390
Other receivables	5,375	-
	2,515,750	3,159,388

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
2022	2,294,171	1,673,555	85,305	94,428	440,883
2021	2,579,429	1,819,404	123,742	99,452	536,831

Fees receivable, which are neither past due nor impaired, include trade receivables due from the Government of Malta, a related party, of EUR 434,437 (2021: EUR 462,144).

As at the reporting date, the Company had impairment allowances amounting to EUR 137,479 (2021: EUR 148,758). In 2020, in response to the Covid-19 pandemic, the Company had revised its credit policy to extend the credit period for the settlement of invoices from 60 to 120 days, leading to an increase in the ageing of the Company's debtors during this period. The Company revised the credit period back to 60 days as from October 2022, given the increase in economic activity during the year.

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 2022 comprises EUR 4,068 (2021: EUR 412,569) due from Malta Stock Exchange Institute Limited.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

11 Cash and Cash Equivalents

	2022 EUR	2021 EUR
Cash at banks	5,665,307	4,424,415
Cash in hand	951	143
Cash and cash equivalents as shown in the Statement of Financial Position	5,666,258	4,424,558
Bank borrowings (note 13)	-	(3,474)
Cash and cash equivalents as shown in the Statement of Cash Flows	5,666,258	4,421,084

12 Capital and Reserves

12.1 Share Capital

	2022 EUR	2021 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

	2022 EUR	2021 EUR
Declared and paid during the year:		
Dividend on ordinary shares for 2022: EUR 1.48 (2021: EUR 1.48)	3,700,000	3,700,000

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 22,767 (2021: EUR 20,304) 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 33,677 (2021: EUR 3,250).

13 Bank Borrowings

	2022 EUR	2021 EUR
Bank borrowings	-	3,474

The amounts in the comparative period represented overdrawn balances on credit card accounts.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

14 Trade and Other Payables

	2022 EUR	2021 EUR
Trade payables (note 14.1)	59,967	15,489
Amounts due to related parties (note 14.2)	200,809	101,467
Deferred income	1,680,187	1,572,420
Accruals and other payables	219,176	186,679
Other taxes	365,614	388,393
	2,525,753	2,264,448

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 192,924 (2021: EUR 89,331) due to MSE (Holdings) Ltd and EUR 7,885 (2021: EUR 12,136) due to MSX plc.

15 Leases

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

	2022 EUR	2021 EUR
Non-current	50,002	125,455
Current	40,193	130,729
	90,195	256,184

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 (2021: EUR 90,000). Until August 2022, the Company also leased its secondary site from a third party for a period of 10 years. The property was 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. Up to August 2022 the rent amounted to EUR 24,314 (2021: EUR 32,257). The lease agreement was cancelled during the year as the Company no longer requires a secondary site, and the related adjustments to the lease modification are reflected in note 5.

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	Motor vehicles
No of right-of-use-assets leased	1	3
Range of remaining term (years)	0.2	2.5 – 4.4
Average remaining lease term (years)	0.2	3.3

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

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
2022				
Lease payments	49,317	59,344	-	108,661
Finance charges	(9,124)	(9,342)	-	(18,466)
Net present values	40,193	50,002	-	90,195
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

The lease agreement on the secondary site was cancelled during the year, resulting in lower net present values. Finance charges recognised by the Company during the year amounted to EUR 13,146 (2021: EUR 20,154).

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 12,830 (2021: EUR 8,000). 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
2022			
Land and buildings	14,587	106,146	-
Motor vehicles	58,184	17,985	-
2021			
Land and buildings	197,316	115,440	-
Motor vehicles	44,791	18,072	-

16 Revenue

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

	2022 EUR	2021 EUR
Listing fees	5,835,202	4,905,808
Register fees	1,352,691	1,374,802
Turnover fees	188,896	262,942
Stockbrokers' fees	38,255	34,525
Other fees	922,626	831,214
	8,337,670	7,409,291

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

17 Cost of Revenue and Administrative Expenses

	2022 EUR	2021 EUR
<i>Cost of revenue</i>		
Variable trading fees	214,722	172,124
<i>Administrative expenses</i>		
Emoluments of the Chairman and other board members	23,200	21,300
Salaries, social security and other staff costs (note 17.1)	1,920,676	1,868,560
Rent	5,433	5,731
Auditors' remuneration	8,000	8,000
Depreciation of property, plant and equipment	212,723	220,945
Amortisation of intangible assets	14,997	16,466
Other expenses	1,394,134	979,093
	3,579,163	3,120,095

Other expenses include other non-audit services payable to the Company's auditors amounting to EUR 750 excluding VAT (2021: EUR 750).

17.1 Employee information

17.1.1 Salaries, social security and other staff costs

	2022 EUR	2021 EUR
Wages and salaries	1,784,776	1,734,568
Social security costs	117,463	117,212
Other staff costs	18,437	16,780
	1,920,676	1,868,560

17.1.2 Staff numbers

The average number of persons employed by the Company during the year was 51 (2021: 51).

17.1.3 Death in service costs

Included in other expenses is an amount of EUR 119,203 related to Death in Services costs in line with the Terms and Conditions of Employment applicable to the Company's employees.

18 Income From Financial Assets at FVOCI

	2022 EUR	2021 EUR
Interest on financial assets at FVOCI	33,887	20,848
	33,887	20,848

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

19 Net Finance Income

	2022 EUR	2021 EUR
Finance income		
Interest on bank balances	44,166	48,321
Finance costs		
Interest on lease liabilities	(13,146)	(20,154)
Net finance income	31,020	28,167

20 Income Tax Expense

20.1

	2022 EUR	2021 EUR
Current tax expense	1,593,132	1,466,675
Deferred tax expense (note 8.2)	15,743	564
Income tax expense	1,608,875	1,467,239

20.2 Reconciliation of effective tax rate

	2022 EUR	2021 EUR
Profit before tax	4,644,461	4,174,472
Tax at 35%	1,625,561	1,461,065
Adjustments for the tax effect of		
- amortisation of financial assets at FVOCI	235	109
- expenses not deductible for tax purposes	66,920	62,782
- expenses deductible for tax purposes	(37,224)	(42,821)
- income subject to lower rates of tax	(15,744)	(13,896)
- current tax adjustment in respect of prior years	(30,873)	-
Income tax expense	1,608,875	1,467,239

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 2022 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)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

22 Related Party Transactions and Balances (continued)

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:

		2022 EUR	2021 EUR
<i>Revenue</i>	<i>Related Party</i>		
Listing fees	Government of Malta	2,981,350	2,426,050
Register fees	Government of Malta	425,636	487,202
Amendments	Government of Malta	25,619	28,921
Registrar fees	Government of Malta	87,715	87,715
Recharged expenses	Malta Stock Exchange Institute	39,333	38,744
Recharged expenses	MSX PLC	4,251	5,312
Dividends paid	MSE (Holdings) Ltd	3,699,999	3,699,999

Included in administrative expenses are salaries paid to the chairman and board members amounting to EUR 23,200 (2021: EUR 21,300).

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 Management 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	2022 EUR	2021 EUR
Classes of financial assets – carrying amounts:			
Financial assets at FVOCI	7a	2,320,872	914,966
Financial assets at amortised cost:			
Other financial assets	9	1,200,000	3,609,000
Trade and other receivables	10	2,303,614	2,991,998
Cash and cash equivalents	11	5,665,307	4,424,415
		11,489,793	11,940,379

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 and Malta Government Stocks which are listed on recognised stock exchanges.

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For the year ended 31 December 2022

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

23.1 Credit risk *(continued)*

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 137,479 (2021: EUR 148,758).

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 2022, a Historical Default Rate (HDR) of 4.02% (2021: 2.58%) 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.

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 2022 *versus* December 2021), 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 2022. The market average ECL rate stood at 1.44% (2021: 2.42%). 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 434,437 (2021: EUR 462,144) owed by the Government of Malta representing 19% (2021: 18%) of the Company's total fees receivables. The Government of Malta generated EUR 3,520,320 (2021: EUR 3,029,888), representing 42% (2021: 41%), 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.

A change of 100 basis points in interest rates would have increased or decreased equity by EUR 23 thousand (2021: EUR 9 thousand). This analysis assumes that all other variables remain constant.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

23 Financial Risk Management Objectives and Policies (continued)

23.3 Liquidity risk (continued)

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

	Current		Non-current		Total EUR
	Not later than one year EUR	Later than one year but not later than five years EUR	Later than five years EUR		
At 31 December 2022					
Lease liabilities	49,317	59,344	-	-	108,661
Other payables	432,712	-	-	-	432,712
Bank borrowings	-	-	-	-	-
	482,029	59,344	-	-	541,373

	Current		Non-current		Total EUR
	Not later than one year EUR	Later than one year but not later than five years EUR	Later than five years 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

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	2022 EUR	2021 EUR
Non-current assets			
Financial assets at FVOCI	7a	2,320,872	914,966
Financial assets at amortised cost:			
Other financial assets	9	1,200,000	1,200,000
		3,520,872	2,114,966

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

23 Financial Risk Management Objectives and Policies (continued)

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

	Notes	2022 EUR	2021 EUR
Current assets			
Financial assets at amortised cost:			
Trade and other receivables	10	2,303,614	2,991,998
Cash and cash equivalents	11	5,666,258	4,424,558
Other financial assets	9	-	2,409,000
		7,969,872	9,825,556
Non-current liability			
Financial liability at amortised cost:			
Lease liabilities	15	50,002	125,455
		50,002	125,455
Current liabilities			
Financial liabilities at amortised cost:			
Bank borrowings	13	-	3,474
Trade and other payables	14	432,712	255,894
Lease liabilities	15	40,193	130,729
		472,905	390,097

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 2022, 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 2022, 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 2022, 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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24 April 2023



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