



**MALTA**  
STOCK EXCHANGE



**ANNUAL  
REPORT** **2023**





**MALTA**  
STOCK EXCHANGE



**ANNUAL  
REPORT** **2023**



# MALTA

# STOCK EXCHANGE

as at 31 December 2023

## **Board of Directors**

**Executive 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





**MALTA**  
STOCK EXCHANGE

Welcome To The  
Malta Stock Exchange



**MALTA STOCK EXCHANGE**  
INSTITUTE

**MSE Business Centre @2nd floor**



# LETTER OF TRANSMITTAL

as at 31 December 2023

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

22 April 2024

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 plc for the year ended 31 December 2023.

Yours faithfully



**Joseph Portelli**  
*Executive Chairman*



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**CHAIRMAN'S  
MESSAGE**







# CHAIRMAN'S MESSAGE

2023 was best characterised by challenging global economic conditions that led to dramatic increases in global interest rates. The messages sent by the ECB's interest rate hikes undoubtedly had an effect on the local market, though the Maltese economy remained buoyant and one of Europe's fastest growing. Generally, market conditions were more subdued compared to 2022, though we did see somewhat higher levels of market turnover. However, improving market liquidity remains a priority and, admittedly, a significant challenge.

For another year in succession, the Malta Stock Exchange Group's underlying business performed very well, with an increase in revenue of almost €640,000, bringing total revenue up to €9,090,878, an increase of 7.6% over the previous year's Group revenue figure. The main source of this positive result was the higher listing and register fees that were offset by slightly lower turnover fees, together with a higher contribution of €154,429 from the Malta Stock Exchange Institute, a subsidiary of MSE (Holdings) Ltd. The operating profit of the Malta Stock Exchange reached a new record level of €4,926,561, 8.3% higher when compared to the same figure for 2022 (€4,548,270).

The higher operating profit was achieved as a result of controlled increases of administrative costs which, at €3,614,329, increased by only 0.98% in 2023 (2022: €3,579,163). We are quite pleased with how tightly we control our operating costs, particularly since inflationary cost pressures are at multi-year highs. The major source of this cost was staff related, and the increase in salaries was mostly the result of the collective agreement and Government mandated cost of living allowances. It should be stressed that the management of operating costs is given the highest priority, with HR and IT costs being the Exchange's main expenses.

The net profit after tax figure for 2023 was a record €3,358,255, an almost 10.6% increase over the same figure for 2022 (€3,035,586). The Exchange paid its shareholder a €2 million net ordinary dividend, a result of sustainable levels of profitability and careful financial management that allow the Exchange to distribute excess profits to our shareholder while maintaining a strong balance sheet. The Exchange has also significantly increased investments in interest-bearing financial assets, generating sizeable interest income when compared to 2022. This resulted in an end-of-year Total Assets of €14.08 million, up by 14.7% from €12.28 million as at the end of 2022.

The MSE's revenue streams are fees emanating from listing of new and existing instruments, maintenance of investors'

registers and trading-related income and fees. In 2023, we saw a lower number of new admissions to listing, with 15 new corporate bonds, one new equity and 15 Government bonds. These brought the total number of listed instruments up to 227 (213 – 2022) and 113 listed entities (108 – 2022). I should point out that the number of instruments and listed entities remains a source of pride since they are significant when compared to larger sized European exchanges and when considering Malta is the EU's smallest economy. We are also pleased to report that the Exchange saw the admission to listing of its first Green Bond.

On the corporate communications front, the fifth edition of the MSE Business Review was published in October 2023. This 104-page publication featured the newly appointed Chairman and CEO of the MFSA, as well as articles and interviews with leaders of listed entities, key stakeholders from the financial services sector and professionals, who provided updates and insightful articles on regulatory and compliance matters and other topical subjects.

The Exchange also organised the first Governance, Risk and Compliance Summit in February 2023 at the Westin Hotel, which attracted over 450 attendees from all sectors of the Maltese economy. By all measures, it was a highly successful event and we endeavour to not only make it a recurring annual conference but to promote it as one of Europe's most prominent GRC and ESG events.

The MSE Institute has entered its sixth year of operations. It has attracted over 1,350 students to around 100 courses organised during the year. These courses covered a range of subjects under the categories of capital markets, corporate risk, cryptocurrencies, cybersecurity and financial reporting, among others. The Institute continued to participate in Erasmus Plus projects, through the successful conclusion of the Beyond Capital project, as well as the ongoing project, entitled Fairness. These projects are run to high standards and within the allocated respective budgets.

The Exchange again organised the MSE Annual Awards dinner. This is a highly anticipated event that is very well attended, with over 180 practitioners and representatives of listed entities.

I conclude by recognising the professionalism and dedication of the MSE staff, who worked together as a united and productive team to achieve these fabulous results. Of course, I also give appropriate credit to the MSE 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. The Exchange's stellar results would not be possible without the support and encouragement of my fellow Board members, Prof. Joseph Falzon, Mr Steven

Tedesco, Dr Stephanie Fabri, Mr Maurice Gruppeta and Mr Michael Parnis. I especially thank and recognise the constant support of the Hon. Minister for Finance, Mr Clyde Caruana.

A handwritten signature in black ink, appearing to read 'Joseph Portelli', written in a cursive style.

**Joseph Portelli**  
*Executive Chairman*





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**post**

ST 25% 108.98  
GT 6% 99.72  
MTP 1.910

SF27A 106.000 0.000	13/02 0.00%	ST 25% 108.98	GT 6% 99.72	MTP 1.910
ST27A 104.000 0.250	13/02 0.24%	T124A 106.080 0.020	12/02 0.02%	T127A 104.050 0.000
13/02 0.00%	13/02 0.00%	UF23A 105.400 0.000	13/02 0.00%	VH24A 98.510 0.000
13/02 0.00%	09/02 0.00%			

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# CHIEF EXECUTIVE OFFICER'S REPORT





# CHIEF EXECUTIVE OFFICER'S REPORT

The Malta Stock Exchange plc recorded profits before tax exceeding €5.1 million, marking an 11.5% increase from the €4.6 million recorded in 2022. Total revenue rose to just over €8.9 million, reflecting an increase of nearly 7.2% compared to the €8.3 million earned in the previous year. The gross profit margin remained relatively stable at 97.6%, comparable with 97.4% in 2022.

Throughout the year, increases in administrative costs, primarily due to increased payroll costs, as well as other inflationary-related increases, made managing operating profit margins highly challenging. While the operating profit margin showed a marginal increase to 55.1% from the 54.6% registered in 2022, one must consider, when making these comparisons that 2022 featured a one-off, non-recurring cost of just over €119,000. Our commitment to controlling expenditure and prudent financial management will persist, with costs continuing to be closely monitored, as has been done throughout the year.

These results were achieved against a backdrop of continued international uncertainty, compounded by another conflict in the last quarter of the year. However, locally, the economy proved resilient to the international downturn and continued expanding, yielding positive results. These circumstances and economic conditions made the forecasting of interest rate adjustments highly speculative, directly impacting our listed and potentially listed companies, and influencing the timing of their capital market projects. Consequently, market performance and sentiment affected both the primary market and the secondary market of the Exchange.

Revenue emanating from the listing and registration activity increased on the strength of the revenue accruing from already listed securities, while new securities coming to the market declined when compared to the previous year. Revenue generated through secondary market activity also declined for the second year running as the total volume of billable turnover decreased, despite an overall increase in market turnover.

In 2023, there was one new equity listing on the main market, in contrast to three new equity listings that came to the market in 2022. However, the Exchange was particularly busy in 2023 in corporate action activity with five already listed companies increasing their share capital either through new share issuances, scrip dividends, share splits and bonus issues or through rights issues.

In the corporate bonds segment, there were a total of 15 new listings – all on the Regulated Main Market, a reduction when

compared to the 19 listings in this segment in the previous year. One notable addition to the corporate bond segment was the admission of the first bond to the Exchange's Green Bond List.

Corporate bond issuances totalled €397.6 million, with €298.6 million representing new capital and €99 million rolled over from existing bonds. It is also worth noting that €5.8 million of rolled-over bonds originated from Prospects MTF admitted securities, when two companies previously admitted to the Prospects MTF market were approved for a Regulated Main Market listing. Additionally, in 2023, €37.5 million in bonds were redeemed, with five corporate bonds fully redeemed and one corporate bond partially redeemed.

Total market turnover in 2023 stood at €333 million, reflecting a significant increase of 14.8% compared to the previous year when market turnover reached just under €290 million. This increase marks the first growth in market turnover following three years of decline. However, despite this increase, market turnover volumes have not yet reached the pre-pandemic level of 2019, when market turnover stood at just under €491 million.

This increase in market turnover was driven by significant upticks in the equity and Malta Government Stocks segments, which increased by 81.2% and 22.1%, respectively. The corporate bond segment remained stable, with turnover mirroring that of the previous year at €102.5 million. Additionally, Treasury Bills trading saw a decline, totalling €36.9 million, representing a 21.2% decrease compared to 2022.

In 2023, the Exchange initiated and completed several significant projects aimed at enhancing its technological capabilities and ensuring compliance with regulatory requirements. After months of implementation and testing, a key milestone was achieved in April 2023 with the successful completion of the project to align Central Securities Depository ISO 20022 messaging for both security and cash settlement with the Eurosystem Single Market Infrastructure Gateway (ESMIG). This consolidation streamlined the interface to both Target2 and Target2 Securities services.

Another project that underwent rigorous testing during 2023 was for the integration into the Eurosystem Collateral Management System (ECMS), which is set to replace the current infrastructure at the CSD with a centralised system. This system will facilitate the mobilisation and demobilisation of financial instruments held at the CSD by counterparties, as well as the processing of corporate actions of such holdings. The testing will continue in 2024 in preparation for the ECMS project to go live in

the last quarter of 2024.

In anticipation of upcoming regulatory changes, such as the Digital Operational Resilience Act (DORA), the Exchange constantly analysed and implemented the necessary measures throughout the year. These efforts were complemented by ongoing investments in cloud technology, aimed at modernising IT infrastructure and enhancing operational efficiency.

The Exchange also strengthened its cybersecurity posture, leveraging advanced technologies and industry-standard practices to mitigate emerging threats. Moreover, the Exchange bolstered its information security governance by outsourcing the oversight of its Information Security function to external experts who report directly to the Board. This collaboration ensures active, continuous monitoring, further enhancing the Exchange's information security structures.

Throughout the year, the Exchange continued to follow developments and participate in EU-wide discussions on regulatory changes that are in the offing. At the forefront of these regulatory changes are those that push towards a Capital Markets Union, with various initiatives being implemented. Among these are changes to the Listing Act, initiatives for the Retail Investment Strategy, and the implementation of a European-wide Consolidated Tape for market prices and trades.

The Markets in Financial Instruments Directive (MiFID II) establishes a mandatory Consolidated Tape, which is intended to provide a consistent and reliable record of executed trades through data providers authorised to do so under harmonised standards. This trading data from the whole EU market will enable investors to make more informed choices. The Malta Stock Exchange solidified its position in the European market by becoming a shareholder in EuroCTP BV, alongside 13 other prominent European exchanges and exchange groups. This strategic move strengthened collaboration among key players in the EU's regulated markets. EuroCTP BV, established as a joint venture, is uniquely positioned to participate in the forthcoming ESMA tender process for the selection of a Consolidated Tape Provider, in accordance with MiFID II regulations.

The events team at the Exchange had another busy year organising various events, including bell-ringing ceremonies for newly listed companies and other commemorations, business development events and webinars, such as the informative Executive Spotlight series in which executives of listed companies and leaders in the financial services industry are interviewed, and the popular MSE Annual Awards Dinner.

They were particularly occupied with the successful execution of the first Governance, Risk and Compliance conference in February. The success of this conference has inspired the Exchange to make it an annual event and work immediately commenced on organising the second conference in 2024.

The Malta Stock Exchange Institute had a highly successful sixth year, marked by growth in both the scope of online courses offered, now reaching the hundred mark, and in the number of attendees attracted to these courses, which reached a record high of 1,400 students in 2023. This growth has also resulted in the Institute increasing its financial contribution to the Malta Stock Exchange Group.

Continued positive feedback highlighted by attendees reflects the Institute's high-quality courses, with high rates of repeat attendance and, we are pleased to note, also an element of international participation since all courses are offered exclusively online. Additionally, the Institute continues to participate in projects under the Erasmus Plus Framework, not only generating income but also contributing positively to the advancement of financial literacy.

All in all, 2023 has been a successful, positive year, with challenges overcome and new challenges and opportunities presented for the future. The results achieved are a direct reflection of the collective efforts and dedication of our team. I would like to sincerely thank our Chairman and Board of Directors for their continued leadership and guidance, as well as the entire executive team and the dedicated staff, who have been instrumental in making it all possible. As we look forward to another successful year ahead, I am pleased to share our achievements throughout the year with you in this annual report.



**Simon Zammit**  
*Chief Executive Officer*





# ADMINISTRATION REPORT





# ADMINISTRATION

## REPORT

### Governance

#### The Board

The Board is composed of: Mr Joseph Portelli, Executive Chairman; Prof. Joseph Falzon, Deputy Chairman; and Mr Steven Tedesco, Dr Stephanie Fabri, Mr Michael Parnis and Mr Maurice Gruppetta, Directors. Ms Marie Cordina holds the post of Company Secretary. The term of the Board expires on 21 April 2025.

The Board of the holding company, MSE (Holdings) Ltd, has the same composition as that of Malta Stock Exchange plc.

The Chairman of the Board of the Malta Stock Exchange Institute Limited is Mr Joseph Portelli. Prof. Joseph Falzon, Dr Stephanie Fabri, Mr Maurice Gruppetta and Mr Simon Zammit are Directors of the company.

Mr Joseph Portelli is the Chairman and Prof. Joseph Falzon is a Director of MSX plc.

#### General Meetings

The Malta Stock Exchange convened its Annual General Meeting on 27 April 2023 during which the minutes of the 2022 Annual General Meeting, the minutes of the Extraordinary General Meetings held on 16 August 2022 and 15 December 2022, 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 2022 were considered by the shareholders.

An interim net dividend of €1,000,000 was approved by the shareholders during the Extraordinary General Meeting held on 9 August 2023.

Another Extraordinary General Meeting was held on 15 December 2023 during which the shareholders approved a final net dividend of €1,000,000.

#### Board Meetings

During 2023, a total of 13 meetings of the Board of Directors were convened.





Throughout the year, the Board regularly discussed the MSE's operational and regulatory matters, and analysed its financial performance. The Board strengthened the MSE's internal processes through the approval of new policies and updates to existing policies. The Board reviewed updates provided by the Information Security function, the Compliance function and the MLRO on a regular basis.

Strategy remained a top priority on the Board's agenda and was consistently discussed throughout the year. A dedicated strategy meeting was convened early in the year during which the Board and the Executives debated the MSE's short-term and long-term strategy.

In addition to approving the admission of several securities, including the admission of the first green bond, the Board also approved the appointment of the first Accredited Reviewer for the MSE Green Market.

In March, the Board resolved to become a shareholder in EuroCTP BV, joining another 13 European exchanges and exchange groups representing the main regulated markets in the EU. This company is a joint venture specifically incorporated to bid in an upcoming call for tender for the selection of a Consolidated Tape Provider under MiFID regulations.

In line with its objective to promote good governance in the financial services sector, the Board resolved to organise a Governance, Risk, Compliance and ESG Conference in March 2024.

The Board approved an interim net dividend of €1,000,000 in July and a final net dividend of €1,000,000 in November.

## Board Committees

The Audit Committee, Risk Management Committee and Remuneration Committee are constituted in line with Chapter 2 of the bye-laws. The Audit Committee and the Risk Management Committee met on a regular basis and provided substantive support to the Board. The Remuneration Committee was convened once in 2023.

### *Audit Committee*

Chaired by Mr Steven Tedesco, the Audit Committee was convened quarterly. An additional five ad hoc committee meetings were held during the year.

The Committee's main areas of focus were: the review and analysis of the quarterly Management Accounts; the monitoring of the MSE's Investment Portfolio; and, where deemed appropriate, the provision of investment recommendations to the Board and Risk Management Committee, the monitoring of trade debtors and the consideration of budget estimates.

Throughout the year, the Committee liaised and held

meetings with the Internal Auditor during which the Internal Audit Reports were discussed. The Committee subsequently monitored the implementation of the recommendations included in these reports.

### *Risk Management Committee*

The Risk Management Committee, chaired by Prof. Joseph Falzon, met four times in 2023.

During these meetings, the Committee was regularly briefed by the Risk Manager about the changes affected to the MSE's Risk Register and, as in previous years, the MSE's key risks were closely monitored. The Committee also reviewed and recommended for approval the Risk Management and Internal Capital Adequacy Assessment Process (RMICAAP), actively managed the MSE's Investment Portfolio and retained oversight on health and safety matters.

### *Remuneration Committee*

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

## Maintenance and Refurbishment

The ongoing refurbishment of the premises this year consisted mainly of the installation of additional trees and planters on the side and the façade of the building. This was also a part of the Exchange's green initiative.

Essential preventive maintenance and repairs were carried out throughout the year. These included routine service checks of lifts, plant room, water pumps and the chiller system. The generator room and electrical equipment system, the intruder alarm, fire detection and CCTV systems, as well as the legionella water controls were also regularly maintained to keep abreast with statutory compliance.

## Human Resources

### Staff Complement

In 2023, the Exchange recruited three full-time employees in the officer grade, who were assigned to the Finance Office, the IT Office and the AML Office. In addition, a Senior AML Manager was recruited to head the AML Office. Three employees resigned during the year, two in the Supervisory grade and one in the officer grade.

As at 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



full employee complement consisted of 30 employees in the managerial grades, 15 in the supervisory grade, four employees in the officer grade and five unskilled staff members. The Exchange engaged four students during the summer months to assist in various offices, including the Central Securities Depository, the Customer Care Office, the Data Operations Office and the AML Office.

### Staff Training

The Exchange continued to promote staff training, both externally and at the Malta Stock Exchange Institute. In total, 57 staff members and directors attended 325 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. On Easter Monday, which is designated as a Training Day, employees attended a virtual interactive session titled Ethics, Evolving Behaviour and Re-Enforcing a Compliance-Oriented Culture. Towards the end of the year, another virtual interactive session titled The Role of the Internal Audit was provided to all employees.

### Family-Friendly Measures

In alignment with the work-home balance measures, all employees continue to enjoy the option of working from home twice a week, specifically on Mondays and Fridays, and attending the office three times a week. Additionally, the Work

from Home Policy allows employees to engage in short-term telework from abroad. Furthermore, an extra 15 work-from-home days have been provided to all employees, which can be utilised by employees in cases of personal exigencies.

### Health and Safety Measures

In line with the Exchange's health and safety procedures, the MSE's safety measures were assessed continuously. As in previous years, several fire and evacuation drills were carried out during the year. Moreover, additional firefighting equipment was installed, and existing equipment was upgraded.

### Social Events Committee

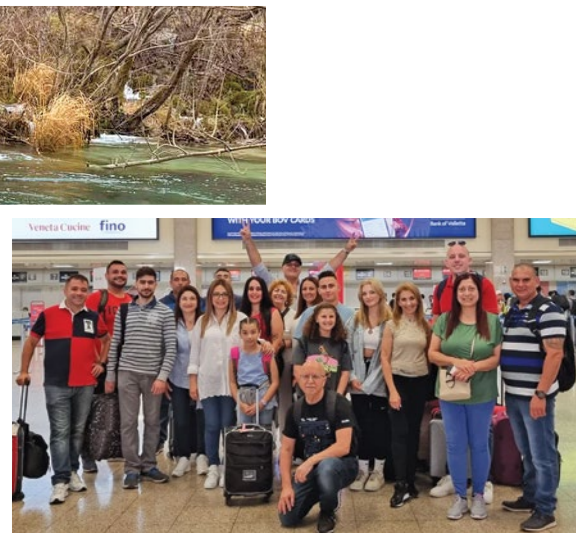
The Social Events Committee organised a series of events for members of staff, including Dress Down days, Pizza and Pasta days, Maltese Table, the annual Pink October Day and Women's Day. These were organised as fundraisers for charitable organisations.





A Kids' Christmas Party was also held for the employees' children.

The Social Events Committee promoted two tours during the year for all employees and their families. In June, a five-day tour to Birmingham and Manchester was organised and, towards the end of the year, for New Year's celebrations, an eight-day tour to Trieste, Slovenia and Croatia was organised for those employees who took up this opportunity for a holiday with their families and work colleagues.





## Regulatory Matters

### Fees and charges

During the year, the following changes were affected to Exchange Notice 1 – Fees and Charges (EN 1): the introduction of bandwidth and connection fees in relation to the use of an alternate connectivity to Xetra; the revision of the LEI application and yearly maintenance fees; and the removal of the Donations/ Separations fee.

### Risk Management and Internal Capital Adequacy Assessment Process (RMICAAP)

In January 2023, the Board, in terms of the Financial Market Rules Stipulating Financial Resources and Financial Reporting Requirements applicable to Regulated Markets and Central Securities Depositories, confirmed to the MFSA that the Exchange had a Risk Management and Internal Capital Adequacy Assessment Process (RMICAAP) in place that was comprehensive and proportionate to the nature, scale and complexity of its activities and functions.

### Audit

During the Annual General Meeting, held on 27 April, the shareholders unanimously approved the Audited Financial Statements for the year ended 31 December 2022. The Audited Financial Statements and the Annual Report on the Exchange's activities for 2022 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

As in previous years, the Exchange sought to support various educational, cultural and philanthropic causes. The Malta Community Chest Fund, the Malta Association of Small Shareholders, the Optimist Club of Malta and Din I-Art Helwa are some of the organisations to whom the Exchange extended its financial support during the year.

Furthermore, as already reported, the proceeds raised through the events organised by the Social Events Committee were donated to charity.

## Support to the Malta Association of Small Shareholders

The Malta Stock Exchange continued to support the Malta Association of Small Shareholders (MASS) through the provision of meetings and events facilities at the Exchange premises, together with the financial support reported above.

## 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

### The Malta Stock Exchange First Governance, Risk and Compliance Summit 2023

On 2 February, the Malta Stock Exchange held the first Governance, Risk and Compliance Summit at the Westin Dragonara Conference Centre. Among the speakers addressing the audience were a number of international senior officials and executives from highly prestigious European institutions, including the ECB, the Bank of England and ESMA.

This event sought to address the regulatory developments and challenges being faced by various organisations within the sphere of governance, risk and compliance. It was very well attended, particularly by stakeholders within the financial services sector.





### Signing of Memorandum of Understanding with Forum of Company Secretaries

On 24 July, the Malta Stock Exchange and the Forum of Company Secretaries formalised their collaboration by signing a Memorandum of Understanding (MoU). This agreement strengthens the co-operation and knowledge sharing in Malta's financial sector.

### Annual Awards Dinner

The Malta Stock Exchange Annual Awards Dinner was hosted on 17 November at the Phoenicia Hotel in Floriana under the patronage of the Hon. Mr Clyde Caruana, Minister for Finance and Employment. Farsons Group plc was the winner of the Company of The Year Award, which was presented to Mr Norman Aquilina, Farsons Group Chief Executive Officer. Mrs Carmen Calvagna, widow of the late Dr Victor Calvagna, and Mr Rennie Zerafa, Chief Executive Officer of Puttinu Cares, together accepted the Lifetime Achievement Award. Puttinu Cares was co-founded by Dr Calvagna and Mr Zerafa in 2002. The Employee of the Year Award was awarded to Mr Jamie Thomas Grech, Supervisor at the Exchange's IT Office.





## Meetings, Conferences and Seminars

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

### Exchange Participation at Industry Events

#### *World Federation of Exchanges (WFE) Meetings*

Following his appointment as chair of the WFE's Governance & Nominations Committee Working Group, the Chairman of the Malta Stock Exchange, Mr Joseph Portelli, attended two working group meetings. The first was held on 9 January 2023 in Madrid, Spain, and the second on 25 May 2023 in Tokyo, Japan.



Mr Portelli also represented the MSE at the WFE's General Assembly and Annual Meeting held in Bermuda between 19 and 21 September 2023. Mr Alfred Sammut, Chief Human Resources and Corporate Services Officer, and Ms Charmaine Baldacchino, Chief Financial Officer, accompanied Mr Portelli at this meeting.

#### *London's City Week 2023*

Once again, the Malta Stock Exchange participated at London's City Week, which is the main international gathering of the financial services community. The meeting was held between 24 and 26 April.

The topics discussed during the three-day event were:

- Climate Change, Green Finance and Sustainability;
- Institutional Adoption and Regulation of Digital Assets; and
- Digitalisation and Innovation in the Capital Markets.

Mr Joseph Portelli, Malta Stock Exchange Chairman, represented the Exchange at the event.

#### *Public Service Week 2023*

The Exchange participated for the first time in the Public Service Week, held at the Malta Fairs and Convention Centre (MFCC), Ta' Qali, between 10 and 12 May.

Visitors to the Malta Stock Exchange stand were given an overview of the Exchange's main functions and were also able to follow stock market activity during trading hours.



#### *IFSP Annual Conference*

The Malta Stock Exchange was the main sponsor of the Institute of Financial Services Practitioners (IFSP) Annual Conference, held at the Portomaso Suite, Hilton Malta, on 19 May.

The main topic of the event was the transformation of the financial services industry in Malta.

#### *MIA Biennial Conference*

The Exchange also sponsored the Biennial Conference organised by the Malta Institute of Accountants, held on 31 May at the Grandmaster Suite at Hilton Malta.

The discussions centred around Malta's competitiveness and how taxation, digitalisation and climate change are impacting Maltese businesses.

#### *Global ABS 2023*

As in previous years, the Malta Stock Exchange participated at the Global ABS Conference, held in Barcelona, Spain, between 13 and 15 June.

This year, the MSE co-sponsored the event with FinanceMalta. The Global ABS is considered Europe's largest Asset Backed Securities (ABS) event.





### London Guildhall Event

The Malta Stock Exchange was one of the sponsors of a reception held at London's prestigious Guildhall on 4 December 2023.

This event brought together a distinguished audience from the financial services sector of both the UK and Malta, including representatives from banks, legal and accounting firms, fund administrators, insurance companies, fintech companies, government officials and regulators.

The event was a great opportunity for networking and knowledge sharing. Guests gained insights into the latest developments within Malta's dynamic financial sector, fostering stronger connections and potential collaborations.

Mr Joseph Portelli, Malta Stock Exchange Chairman, attended the event.

### Webinars organised by the MSE

#### MSE Executive Spotlight

The Malta Stock Exchange hosted seven Executive Spotlight webinars throughout 2023. These webinars provided valuable insights into the perspectives and strategies of key players in the Maltese economy.

Malta Stock Exchange Chief Executive Officer, Mr Simon Zammit, interviewed Mr Marcel Cassar, APS Bank plc Chief Executive Officer; Mr Alan Borg, Malta International Airport Chief Executive Officer; Mr Radi Abd El Haj, RS2 Chief Executive Officer; and Mr Lawrence Zammit, Grand Harbour Marina plc Chairman.

Further interviews were conducted by Mr Joseph Portelli, Chairman of the Malta Stock Exchange. These interviews featured Mr Nikhil Patil, GO plc Chief Executive Officer; Mr Charles Borg, PG Group plc Chief Executive Officer; and Mr Jesmond Gatt, MFSA Chairman.



### International Women's Day

On 8 March, the Malta Stock Exchange hosted Dr Marthese Portelli, Chief Executive Officer of the Malta Chamber of Commerce, as the special guest during the Exchange's annual celebration of International Women's Day. The event, 'Ring the Bell for Gender Equality 2023', organised annually by the UN Women, is a joint initiative with the World Federation of Exchanges (WFE). This year's event focused on the use of technology to promote gender equality.

### Ring of the Bell to Promote Financial Literacy

The Malta Stock Exchange, in collaboration with the MFSA, marked World Investor Week by ringing the bell for financial literacy. This annual event aims to put a focus on the need to educate investors, protect their interests and promote financial inclusion.



## Environmental, Social and Governance (ESG) Events

### Setting up of the MSE Green Team

In continuation with the sustainability exercise started in 2022, the Malta Stock Exchange set up a Green Team. The team is made up of seven members hailing from different departments. The first task was to draft the Exchange's Sustainability Policy. The policy focuses on environmental responsibility and building an eco-conscious culture among employees. It outlines specific actions the organisation can take to reduce its environmental impact and ultimately creating a healthier workplace and a more sustainable future.

The Malta Stock Exchange Chief Executive Officer, Mr Simon Zammit, emphasised the importance of educating investors about financial risks and highlighted how the Exchange encourages this through the various courses offered by the Malta Stock Exchange Institute (MSEI). Mr Cliff Pace, MSEI's Director of Studies, highlighted the vital role of early financial education for young people. Dr Sarah Pulis, Head of Conduct Supervision at MFSA, talked about the link between informed consumers and confidence in financial markets.

## Visitors to the Exchange

### Minister for Environment, Energy and Enterprise Visits the Exchange

On 4 October, the Malta Stock Exchange welcomed the Hon. Dr Miriam Dalli, Minister for the Environment, Energy and Enterprise, for the bell-ringing ceremony celebrating the listing of the first ever Green Bond on the Exchange.

This landmark event marked a significant step towards sustainable development in Malta and aligns well with the Exchange's commitment to promote green finance and responsible investment.



### Visit by the Members of the Diplomatic Corps

The Malta Stock Exchange hosted two high-profile courtesy visits in November. The British High Commissioner, H.E. Cathy Ward, visited the Exchange together with members of her team. In a separate visit, the US Ambassador,



H.E. Constance J. Milstein was accompanied by the Political/Economic Chief, Mr Jason Hammontree.

Both visits touched on the crucial topic of advancing sustainability in green markets and promoting eco-friendly investments through green bonds.

## Publications

### The Malta Stock Exchange Business Review Magazine

The fifth edition of the annual Malta Stock Exchange Business Review magazine was published in October 2023. This edition featured the Chairman and Chief Executive Officer of the Malta Financial Services Authority on its cover and included many key interviews with market leaders, regulators, members of the Exchange and leaders of listed entities. The magazine featured interviews with compliance, cyber security, risk, asset management and ESG experts, among others. The high quality and expert content ensure that the publication remains relevant to the needs of the financial services stakeholders as well as the business community.



This annual magazine is printed and distributed among the many stakeholders and is also available for electronic download through the Exchange's website. It is planned that the sixth edition of the Malta Stock Exchange Business Review magazine will be published in 2024.







# EXCHANGE OPERATIONS AND OTHER ACTIVITIES





# EXCHANGE OPERATIONS AND OTHER ACTIVITIES

## Regulated Main Market

Total market turnover in 2023 stood at €333 million, an increase of 14.8% (€42.8 million) when compared to 2022. The equity segment increased by 81.2%, or €26 million more than that in 2022, followed by the Malta Government Stocks segment, which rose by 22.1% (€24 million). The corporate bond segment remained at the same level as last year, with turnover amounting to €102.5 million. A total of €36.9 million were traded in Treasury Bills during the year, which is 21.2% less than in 2022.

Market capitalisation as at end of the year stood at €16.1 billion, an increase of 9.5% (€1.4 billion) on the €14.7 billion at end of 2022. The largest percentage gain occurred in the equity market of 14.7% (€597.8 million), followed by the Exchange Traded Fund, which increased its market value by 12.9% (€7.8 million). The corporate bond and the Malta Government Stock market values increased by 10.2% (€245.6 million) and 9.8% (€721.6 million), respectively. On the other hand, the Treasury Bill market value decreased by 21.3%, €179.3 million less than in 2022.

The MSE Equity Total Return Index closed at 8,477.527, up by 14.5% from 7,404.793 as at the end of 2022. The Index peaked at 8,477.527 on 29 December and was at its lowest level at 7,289.959 on 3 January.

There was one new equity listing on the main market during 2023, namely The Convenience Shop (Holding) plc, which had an initial market capitalisation of €29.9 million.

Five already listed companies increased their share capital through various corporate actions. APS Bank plc increased its share capital by an aggregate of 10,886,401 ordinary shares subsequent to two scrip dividends and the further issuance of new shares as part of its Employee Share Incentive Plan. Lombard Bank Malta plc conducted a bonus issue and a rights issue that resulted in an aggregate of 63,844,529 ordinary shares being admitted to the Official List. Maltapost plc listed 1,101,290 shares

following a scrip dividend and the company subsequently conducted a two-for-one share split. RS2 plc issued a scrip dividend leading to the admission of 1,313,974 ordinary shares and 28,320 preference shares. Malita Investments plc listed an additional 118,108,064 shares following the redesignation of its authorised and issued share capital into one share class.

A total of 15 corporate bonds were issued on the Regulated Main Market during the year, one of which was the first admission to the Green Bond List. These bond issuances had a total value of €397.6 million, of which €298.6 million was new capital and €99 million was rolled over from existing bonds. Of these rolled-over bonds, €5.8 million originated from Prospects MTF admitted securities.

The total corporate bond issuance for 2023 represents a nearly 9% decrease from the amount that was issued in 2022 when a total of €437 million capital was raised across 19 bonds. In 2023, five corporate bonds were fully redeemed, and one was partially redeemed, totalling an aggregate value of €37.5 million. In the previous year, four corporate bonds were fully redeemed and one was partially redeemed, amounting to €72.3 million.

A total of 15 Malta Government Stocks (MGs) were issued, having a nominal value of €1.4 billion (17 in 2022 worth €1.05 billion). The total nominal value of redeemed MGs amounted to €358.2 million (€375.9 million in 2022).

In 2023, a total of 102 Treasury Bills (T Bills) were issued with a combined value of €2.2 billion compared to 103 issues in 2022 totalling €2.5 billion. An aggregate of 107 T Bills with a total value of €2.4 billion was redeemed during 2023, compared to 97 T Bills with a combined value of €2.3 billion in 2022.

The first trading activity was registered in the Exchange Traded Fund (ETF) segment of the market since the first admission of an ETF in June 2021. Seven trades, having an aggregate value of €2.8 million, were executed in the only listed ETF in this segment.

## MSE Equity Total Return Index for 2023





## Institutional Financial Securities Market

There were no new admissions in the IFSM, while one security was delisted. No trades were executed in this market during 2023.

## Prospects MTF

Two corporate bonds with a total nominal value of €6.8 million were fully redeemed from Prospects MTF and were partially exchanged for new bonds that were admitted to the Regulated Main Market. There were no new securities admitted to the Prospects MTF market during the year, thus bringing the total number of securities admitted to Prospects MTF at the end of the year to 21. These comprised 20 corporate bonds and one equity.

Market turnover in 2023 reached just below €3 million, which is an 11.3% increase compared to the €2.68 million turnover in 2022. There were 382 trades during the year, representing a decrease of 14.7% compared to the 448 trades transacted in 2022.

In January, a corporate bond was temporarily suspended by the Exchange. The suspension was brought about due to the Issuer's inability to fulfil its obligations under Prospects MTF Rule 4.11.12 Table 1 No. 1, No. 2, No. 3, and No. 5. The suspension was lifted in September, following the fulfilment of regulatory obligations and the payment of a penalty that had been imposed on the Issuer in July due to the persistent non-compliance with the Rules.

Two Corporate Advisors voluntarily resigned during the year, and another Corporate Advisor's approval was cancelled following the company's failure to adhere to its obligations emanating from the Prospects MTF Rules. Consequently, the number of firms authorised by the Exchange to act as Corporate Advisors to prospective or admitted Prospects MTF companies stood at nine.

## Central Securities Depository

The number of active accounts held at the CSD as at year end stood at just above 67,000. This was marginally lower than the number of accounts as at the previous year end, which had amounted to just below 68,000. During 2023, the CSD processed around 555 corporate actions, of which 374 were interest and dividend payments related to both listed and non-listed securities. Other corporate actions included a number of register mergers and conversions, bonus share issues and share-split processing, as well as full and partial redemptions. Throughout the year, a number of additions and buy-backs were also processed, resulting in changes in the issued share capital of the respective securities.

A total of 135 securities were admitted to the CSD in 2023, compared to the 144 securities admitted in 2022. The security registers admitted to the CSD during 2023 consisted of one

equity, 17 corporate bonds, 15 Malta Government Stock issues and 102 Treasury Bills. These were all listed on the Regulated Main Market, with the exception of two corporate bonds. A 62+ Malta Government Savings Bond, amounting to €70.1 million, was issued by the Government of Malta in exchange for the €86 million 62+ Malta Government Savings Bond – Issue 2018 maturing in June 2023. These bonds were not admitted to listing and trading.

A total of 102 transactions in both listed and non-listed securities were affected over the MSE CSD Clearstream Banking AG link in 2023. This represented a decrease of 82 transactions when compared to the previous year.

## E-Portfolio

In 2023, 1,258 CSD accounts were activated on the online e-Portfolio facility, bringing the total number of activated accounts to 10,434 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, as well as give instructions to the CSD to change account details, tax options and direct credit instructions. KYC account updates for AML purposes have also been facilitated for e-Portfolio account holders by replacing physical forms with electronic authentication of provided details.

## Dematerialisation of Non-listed Securities

In 2023, the Dematerialisation Office received 18 applications from issuers seeking admission for CSD dematerialisation services without admission to any of the Exchange's Official Lists. Two of these applications were for new instruments. Two instruments were terminated during the year and a further instrument had its capital reduced. This resulted in the number of non-listed securities admitted to the CSD as at year end amounting to 21, of which 12 are equities and nine are debt instruments.

Eleven of the new applications related to an increase in the existing dematerialised issued share capital, amounting to a total of 8,391,626 ordinary shares. One related to the dematerialisation of 564 fund shares having a value of €56,400,000. The remaining six applications were for the dematerialisation of €1,388,000 debt instruments.

## Market Operations Office

The Market Operations Office received one application for the resignation of membership from Dolfin Asset Services Ltd in 2023, bringing the number of approved firms as at year end to 18. The number of active traders having access to the T7 Trading System at the end of 2023 stood at 55.

*(Continued on page 40)*

## Regulated Main Market - Comparative Trading Figures

Security	Number of Deals		Volume/No. of Shares		Market Turnover (EURO)	
	2023	2022	2023	2022	2023	2022
<b>Equities</b>						
APS Bank plc Ord €0.25	486	475	2,521,723	3,718,547	1,511,678.78	2,462,406.63
AX Real Estate plc Ord A €0.125	72	67	605,536	698,931	293,861.34	384,266.20
Bank of Valletta plc Ord €1.00	1,809	1,156	12,289,178	6,918,950	13,542,116.31	5,899,516.01
BMIT Technologies plc Ord €0.10	230	235	2,289,278	3,779,548	987,443.73	1,825,530.00
FIMBank plc Ord USS0.50	34	73	692,591	1,017,834	129,071.11	212,596.52
GO plc Ord €0.582343	315	353	947,834	910,270	2,784,741.16	2,802,508.38
Grand Harbour Marina plc Ord €0.12	15	22	153,033	73,259	103,173.33	47,627.00
Harvest Technology plc Ord €0.50	14	35	32,278	62,830	33,975.33	89,577.14
Hili Properties plc Ord €0.20	102	95	2,341,025	1,062,170	517,216.58	258,543.28
HSBC Bank Malta plc Ord €0.30	705	448	4,330,397	2,576,438	4,505,674.74	2,073,576.35
International Hotel Investments plc Ord €1.00	181	218	777,425	1,658,155	395,301.97	1,131,916.89
LifeStar Holding plc Ord €0.291172	22	11	11,580	5,124	7,731.99	4,546.41
LifeStar Insurance plc Ord €0.1414779585	2	13	1,200	17,490	540.00	8,269.00
Lombard Bank Malta plc Ord €0.125	189	101	2,689,148	593,732	2,257,112.27	1,094,325.17
Loqus Holdings plc Ord €0.232937	47	43	130,815	505,274	23,344.70	72,840.06
M&Z plc Ord €0.125	35	58	258,803	529,808	164,710.91	396,467.80
Main Street Complex plc Ord €0.10	19	14	47,651	78,250	19,837.71	34,732.80
Malita Investments plc Ord B €0.50	123	68	1,230,847	437,627	743,246.59	329,951.51
Malta International Airport plc Ord €0.25	804	456	1,113,661	651,522	6,243,106.15	3,809,065.95
Malta Properties Company plc Ord €0.32	171	186	939,099	1,182,905	403,598.44	599,343.55
MaltaPost plc Ord €0.25	107	77	598,823	288,522	313,945.08	308,296.89
Mapfre Middlesea plc Ord €0.21	112	100	326,155	111,198	491,495.13	196,680.24
MedservRegis plc Ord €0.10	21	51	173,684	1,751,793	102,522.05	1,229,366.07
MIDI plc Ord €0.20	58	54	763,747	715,163	202,916.80	225,483.93
PG plc Ord €0.25	242	141	1,255,158	769,316	2,515,813.89	1,667,576.47
Plaza Centres plc Ord €0.20	43	30	244,225	153,200	156,226.57	121,237.50
RS2 plc Ord €0.06	149	225	1,031,169	1,039,792	1,236,711.84	1,454,992.06
RS2 plc Pref €0.06	21	21	205,523	76,150	292,912.40	121,979.70
Santomas Shareholdings plc Ord €0.275	27	20	198,143	62,283	254,812.10	63,154.10
Simonds Farsons Cisk plc Ord €0.30	190	239	130,707	300,081	900,900.35	2,303,398.40
The Convenience Shop (Holding) plc Ord €0.16	11	-	14,000	-	14,240.68	-
Tigne Mall plc Ord €0.50	66	33	19,448,979	168,531	15,948,649.21	121,835.65
Trident Estates plc Ord €1.00	70	65	157,037	284,727	202,025.07	394,903.60
VBL plc Ord €0.20	63	39	3,219,509	936,874	653,485.41	233,653.66
<b>Total Equity</b>	<b>6,555</b>	<b>5,222</b>	<b>61,169,961</b>	<b>33,136,294</b>	<b>57,954,140</b>	<b>31,980,165</b>
<b>Corporate Bonds</b>						
5.1% 1923 Investments plc Unsecured € 2024	243	258	2,113,300	2,461,900	2,117,408.28	2,504,418.87
5.1% 6PM Holdings plc Unsecured € 2025	97	28	725,700	131,900	725,184.83	133,928.29
3.25% APS Bank plc Unsecured Subordinated € 2025-2030	10	55	325,000	2,200,000	318,537.50	2,176,042.50
5.8% APS Bank plc Unsecured Subordinated € 2028-2033 S1 T1	44	-	428,000	-	437,155.50	-
6.25% AST Group plc Secured € 2033	39	-	221,000	-	227,907.97	-
3.25% AX Group plc Unsecured € 2026 S1	111	166	559,600	1,131,200	541,404.15	1,130,674.14
3.75% AX Group plc Unsecured € 2029 S2	91	110	414,900	791,700	404,172.23	792,676.27
5.85% AX Group plc Unsecured € 2033	38	-	350,300	-	357,799.66	-
6% AX Investments plc € 2024	141	103	1,906,600	511,300	1,916,319.58	523,067.74
3.5% AX Real Estate plc Unsecured € 2032	60	65	628,200	495,600	571,755.47	494,521.27
3.5% Bank of Valletta plc € Notes 2030 S1 T1	23	53	524,500	1,305,600	481,448.92	1,290,476.75
3.5% Bank of Valletta plc € Notes 2030 S2 T1	299	102	4,575,100	2,146,500	3,924,427.64	1,952,412.70
3.75% Bank of Valletta plc Unsecured Subordinated € 2026-2031	96	53	2,924,800	1,116,000	2,600,630.40	1,084,868.30
4.25% Best Deal Properties Holding plc Secured € 2024	44	140	488,600	5,515,700	496,800.50	5,736,176.30
4.75% Best Deal Properties Holding plc Secured € 2025-2027	100	6	665,000	45,200	665,938.82	45,199.48
4.5% BNF Bank plc Unsecured Subordinated € 2027-2032	33	28	393,000	223,100	385,260.00	223,506.01
5.25% Bonnici Bros Properties plc Unsecured € 2033 S1 T1	53	-	362,800	-	367,399.25	-
3.75% Bortex Group Finance plc Unsecured € 2027	82	52	475,300	256,400	463,567.95	256,759.88
3.9% Browns Pharma Holdings plc Unsecured Callable € 2027-2031	52	89	234,800	613,800	228,346.90	621,158.76
4% Cablenet Communication Systems plc Unsecured € 2030	160	261	974,000	2,570,000	929,685.60	2,581,444.40
4% Central Business Centres plc Unsecured € 2027-2033	22	128	154,600	927,300	145,808.80	928,956.51
4.4% Central Business Centres plc Unsecured € 2027 S1/17 T1	17	41	52,400	206,900	51,967.25	206,766.32
5.25% Central Business Centres plc Unsecured € 2025 S2 T1	20	22	110,200	118,800	111,018.00	119,869.66
5% CF Estates Finance plc Secured € 2028-2033	82	-	522,100	-	521,278.60	-
4.25% CPHCL Finance plc Unsecured € 2026	110	135	603,000	1,095,100	599,478.71	1,096,638.92
4.75% Dino Fino Finance plc Secured € 2033	67	97	368,100	558,600	364,653.84	575,181.34
5% Dizz Finance plc Secured € 2026	62	125	363,000	832,000	361,012.10	829,131.30
4% Eden Finance plc Unsecured € 2027	187	168	1,468,200	1,481,100	1,438,418.65	1,487,615.90
4.5% Endo Finance plc Unsecured € 2029	3	9	150,000	500,000	137,000.00	492,240.00
4% Exalco Finance plc Secured € 2028	47	50	393,000	564,300	389,588.00	573,231.50
4.5% G3 Finance plc Secured € 2032	91	138	548,900	1,403,500	546,863.85	1,437,914.30
3.65% GAP Group plc Secured € 2022	-	2	-	7,000	-	6,860.00
3.7% GAP Group plc Secured € 2023-2025 S1	157	89	9,509,500	649,900	9,502,308.84	651,268.81
3.9% GAP Group plc Secured € 2024-2026	91	117	627,400	1,162,000	617,510.46	1,167,820.55
4.25% GAP Group plc Secured € 2023	18	33	187,000	229,600	186,790.71	230,178.21
4.75% GAP Group plc Secured € 2025-2027	80	1	757,700	9,000	760,286.95	9,135.00
3.5% GO plc Unsecured € 2031	495	616	3,155,800	6,244,800	2,957,003.48	6,275,813.24
6.25% GPH Malta Finance plc Unsecured € 2030	172	-	3,196,900	-	3,201,571.37	-
4.5% Grand Harbour Marina plc Unsecured € 2027	109	60	717,800	474,800	707,763.46	482,538.38
5% Hal Mann Vella Group plc Secured € 2024	158	158	1,559,500	1,854,600	1,564,780.43	1,904,664.13
3.8% Hili Finance Company plc Unsecured € 2029	150	266	1,212,400	2,028,800	1,138,531.65	2,013,285.31
3.85% Hili Finance Company plc Unsecured € 2028	137	179	741,500	1,673,800	703,969.16	1,664,371.74
4% Hili Finance Company plc Unsecured € 2027	257	214	1,699,000	1,564,800	1,660,588.57	1,570,309.46
4.5% Hili Properties plc Unsecured € 2025	235	212	1,480,900	1,280,200	1,471,974.35	1,293,734.76
4.35% Hudson Malta plc Unsecured € 2026	72	42	406,800	278,600	404,851.65	280,290.00
3.65% International Hotel Investments plc Unsecured € 2031	272	256	1,178,500	1,754,800	1,085,319.24	1,716,926.56
4% International Hotel Investments plc Secured € 2026	543	341	4,872,600	2,260,600	4,862,144.78	2,266,854.29
4% International Hotel Investments plc Unsecured € 2026	214	283	1,419,700	2,346,900	1,382,249.13	2,338,829.68
5.8% International Hotel Investments plc € 2023	20	33	203,700	233,900	204,008.07	235,875.00
5.75% International Hotel Investments plc Unsecured € 2025	261	210	2,017,000	986,600	2,026,966.20	998,085.54
6% International Hotel Investments plc € 2024	145	143	1,215,400	819,800	1,225,866.51	831,077.84
6% International Hotel Investments plc Unsecured € 2033	45	-	385,700	-	393,631.90	-
4.25% IZI Finance plc Unsecured € 2029	145	159	872,700	1,260,100	858,417.85	1,280,007.16
4.5% Izola Bank plc Unsecured € 2025	34	51	204,600	2,582,400	203,244.40	2,653,849.69
5% Izola Bank plc Unsecured € 2027-2032	48	6	448,900	35,000	446,141.38	35,000.00
4.85% JD Capital plc Secured € 2032 S1 T1	85	6	443,100	246,800	439,844.71	246,798.67
6% JD Capital plc Secured Bonds 2033 S2 T1	56	-	372,200	-	381,570.11	-
5.5% Juel Group plc Secured € 2035	91	-	535,900	-	545,784.97	-
4% LifeStar Insurance plc Unsecured Subordinated € 2026-2031	-	-	-	-	-	-



## Regulated Main Market - Comparative Trading Figures *continued*

Security	Number of Deals 2023	Number of Deals 2022	Volume/No. of Shares 2023	Volume/No. of Shares 2022	Market Turnover (EURO) 2023	Market Turnover (EURO) 2022
<b>Corporate Bonds <i>continued</i></b>						
4% Malta Properties Company plc Secured € 2032 S1/2022 T1	104	126	984,000	1,381,000	962,946.41	1,398,570.33
5% Mariner Finance plc Unsecured € 2032	117	-	815,900	-	817,886.74	-
5.3% Mariner Finance plc Unsecured € 2024	113	63	1,582,200	421,500	1,582,227.41	429,302.83
4% MeDirect Bank (Malta) plc Subordinated Unsecured £ 2024-2029	-	1	-	16,000	-	18,578.73
4% MeDirect Bank (Malta) plc Subordinated Unsecured € 2024-2029	41	24	541,000	507,000	511,750.70	505,490.80
5% MeDirect Bank (Malta) plc Subordinated Unsecured £ 2022-2027	-	-	-	-	-	-
5% MeDirect Bank (Malta) plc Subordinated Unsecured € 2022-2027	10	6	245,000	140,000	244,597.50	140,175.00
5% Mediterranean Investments Holding plc Unsecured € 2022	-	20	-	55,100	-	54,605.60
5.25% Mediterranean Investments Holding plc Unsecured € 2027	63	41	294,300	270,500	295,150.00	275,501.49
5.5% Mediterranean Investments Holding plc Unsecured € 2023	17	58	56,000	359,500	55,916.63	359,754.75
5.85% Mediterranean Investments Holding plc Unsecured € 2028	56	-	168,300	-	172,531.04	-
4.8% Mediterranean Maritime Hub Finance plc Unsecured € 2026	64	112	370,000	670,000	366,004.50	675,941.50
4.5% MedservRegis plc Unsecured € 2026	33	29	1,455,200	1,290,000	1,396,673.64	1,240,522.50
5% MedservRegis plc Secured € 2029	21	2	227,300	10,000	227,421.50	10,145.00
5.75% MedservRegis plc Unsecured US\$ 2026	15	12	260,000	559,000	230,621.66	488,234.34
6% MedservRegis plc Secured and Guaranteed € Notes 2020-2023 S1 T1	-	31	-	101,500	-	100,862.47
4.85% Melite Finance plc Secured € 2028	3	2	104,700	109,300	88,995.00	89,940.00
3.75% Mercury Projects Finance plc Secured € 2027	114	95	608,600	546,800	596,146.12	547,323.84
4.25% Mercury Projects Finance plc Secured € 2031	88	67	383,000	301,600	376,735.47	304,491.26
4.30% Mercury Projects Finance plc Secured € 2032	306	255	1,828,900	2,232,800	1,800,675.53	2,265,909.40
4% Merkanti Holding plc Secured € 2026	143	172	908,000	1,227,300	889,549.08	1,234,203.30
4% MIDI plc Secured € 2026	234	253	2,139,600	2,309,300	2,132,630.39	2,329,510.77
3.65% Mizzi Organisation Finance plc Unsecured € 2028-2031	287	316	2,093,400	4,759,200	1,938,940.88	4,755,992.96
6% Multitude Bank plc Subordinated Unsecured € 2032 S1/22 T1	5	12	60,000	75,000	59,980.00	75,000.00
6% Pendergardens Developments plc Secured € 2022 S2	-	21	-	1,464,600	-	1,464,687.50
6% Pharmcare Finance plc Unsecured € 2033	97	-	434,100	-	442,718.42	-
4.15% Phoenicia Finance Company plc Unsecured € 2023-2028	301	113	1,196,900	978,500	1,133,977.39	977,698.30
5.75% Plan Group plc Secured € 2028	15	-	106,700	-	108,999.52	-
3.9% Plaza Centres plc Unsecured € 2026	11	16	837,000	1,850,000	825,180.00	1,905,925.00
3.75% Premier Capital plc Unsecured € 2026	307	240	4,196,200	1,806,300	4,111,875.54	1,819,079.53
5.25% Qawra Palace plc Secured € 2033	90	-	566,200	-	576,621.61	-
4.35% SD Finance plc Unsecured € 2027	286	348	3,367,500	3,742,400	3,285,191.16	3,745,412.23
4% Shoreline Mall plc Secured € 2026	15	43	72,500	321,000	70,410.30	316,330.08
4.5% Shoreline Mall plc Secured € 2032	25	48	167,600	226,200	157,639.25	222,266.80
3.5% Simonds Farsons Cisk plc Unsecured € 2027	155	137	877,300	996,000	865,977.93	1,016,841.20
4.65% Smartcare Finance plc Secured € 2031	74	137	341,100	636,100	339,009.95	652,003.43
4.65% Smartcare Finance plc Secured € 2032	39	59	244,800	588,700	244,073.45	601,980.28
4% SP Finance plc Secured € 2029	92	78	286,200	443,700	278,938.72	448,027.74
4.55% St Anthony Co plc Secured € 2032	52	258	616,200	1,846,600	615,494.05	1,908,976.12
3.65% Stivala Group Finance plc Secured € 2029	108	109	660,900	1,376,100	632,600.71	1,381,321.45
4% Stivala Group Finance plc Secured € 2027	309	150	2,182,600	1,011,500	2,167,669.06	1,021,915.75
4.50% The Ona plc Secured € 2028-2034	114	112	910,300	1,117,400	894,886.02	1,140,012.33
5.9% Together Gaming Solutions plc Unsecured Callable € 2024-2026	85	115	395,400	638,700	393,873.34	640,059.74
3.75% TUM Finance plc Secured € 2029	107	88	378,100	489,100	359,859.60	489,978.97
3.75% Tumas Investments plc Unsecured € 2027	139	86	819,800	520,000	796,560.49	520,985.71
5% Tumas Investments plc Unsecured € 2024	105	91	1,114,900	590,900	1,109,864.80	602,238.59
5.3% United Finance plc Unsecured € 2023	33	49	241,400	248,700	241,856.10	249,885.36
3.75% Virtu Finance plc Unsecured € 2027	138	113	806,200	1,086,900	781,476.82	1,092,137.71
4.4% Von der Heyden Group Finance plc Unsecured € 2024	-	138	-	835,000	-	839,871.10
5% Von der Heyden Group Finance plc Unsecured € 2032	245	4	2,040,800	54,200	2,010,088.07	54,200.10
<b>Total Corporate Bonds</b>	<b>11,390</b>	<b>10,208</b>	<b>101,432,300</b>	<b>99,399,300</b>	<b>98,953,582</b>	<b>99,860,343</b>
<b>Green Bond List</b>						
4.25% ClearFlowPlus plc Unsecured € Bonds 2033	80	-	596,900	-	600,858.24	-
<b>Total Green Bonds</b>	<b>80</b>	<b>-</b>	<b>596,900</b>	<b>-</b>	<b>600,858</b>	<b>-</b>
<b>Malta Government Stocks</b>						
<b>Total MGSs</b>	<b>3,000</b>	<b>2,555</b>	<b>135,117,327</b>	<b>97,738,876</b>	<b>132,362,748</b>	<b>108,392,418</b>
<b>Treasury Bills</b>						
<b>Total Treasury Bills</b>	<b>19</b>	<b>13</b>	<b>36,950,000</b>	<b>47,000,000</b>	<b>36,896,064</b>	<b>46,819,257</b>
<b>Exchange Traded Funds</b>						
Metatron Capital SICAV plc - Long-Term Equity Fund EUR Class D Cap. Participating Shares	7	-	11,959	-	2,756,409.75	-
<b>Total Exchange Traded Funds</b>	<b>7</b>	<b>-</b>	<b>11,959</b>	<b>-</b>	<b>2,756,410</b>	<b>-</b>
<b>Total all Securities</b>	<b>21,051</b>	<b>17,998</b>	<b>335,278,447</b>	<b>277,274,470</b>	<b>329,523,801</b>	<b>287,052,183</b>

## Prospects MTF - Comparative Trading Figures

Security	Number of Deals 2023	Number of Deals 2022	Volume/No. of Shares 2023	Volume/No. of Shares 2022	Market Turnover (EURO) 2023	Market Turnover (EURO) 2022
<b>Equities</b>						
Best Deal Properties Holding plc Ord €0.10	-	-	-	-	-	-
<b>Corporate Bonds</b>						
5.5% Anchovy Studios plc Unsecured € 2027	1	9	3,000	33,000	3,069.00	33,382.00
5.5% AST Group plc Unsecured € 2028	1	2	4,000	5,000	3,896.00	5,000.00
5% Borgo Lifestyle Finance plc Secured Callable € 2026-2029	3	21	9,500	95,400	9,377.50	95,260.50
5% Busy Bee Finance plc Unsecured € 2029	86	68	426,100	321,200	425,670.35	322,432.66
4.25% Calamatta Cuschieri Finance plc Unsecured Callable € 2024-2026	8	11	53,000	274,600	52,446.50	274,750.00
4.75% Camilleri Finance plc € Unsecured 2027	17	18	320,000	279,000	319,525.40	278,967.50
4.9% Class Finance plc Unsecured € 2032	4	-	311,000	-	311,000.00	-
5.35% D Shopping Malls Finance plc Unsecured € 2028	28	13	680,800	86,600	646,390.17	80,816.75
5% FES Finance plc Secured € 2029	8	18	38,300	82,400	37,478.67	81,265.75
4.75% Gillieru Investments plc Secured € 2028	10	34	19,700	92,200	19,607.75	92,073.65
7.25% Hart Capital Partners (Europe) plc Secured Callable € 2025-2027	11	-	90,000	-	90,575.00	-
5% HH Finance plc Unsecured € 2023-2028	8	13	46,600	62,600	45,499.00	62,176.14
5% Horizon Finance plc Secured Callable € 2026-2029	1	7	7,000	43,800	7,000.00	43,729.20
5.5% IG Finance plc Unsecured € 2024-2027	15	5	101,000	54,000	100,510.00	54,050.00
5% JD Capital plc Unsecured € 2028	-	28	-	120,400	-	119,073.31
4.75% KA Finance plc Secured Callable € 2026-2029	46	72	174,100	344,800	164,130.03	321,345.40
5.25% Klikk Finance plc Unsecured € 2027	12	5	136,900	214,000	136,900.00	214,000.00
4.875% Lidion Holdings plc Senior Secured € 2024	46	34	270,000	182,000	264,934.53	178,899.80
5% Luxury Living Finance plc Secured € 2028	14	29	55,900	178,600	54,753.10	177,927.70
5.75% Pharmcare Finance plc Unsecured € 2025-2028	-	20	-	73,200	-	74,073.00
5.5% Testa Finance plc € 2029	19	13	84,100	62,200	82,856.84	61,824.98
5% The Convenience Shop Holding plc Unsecured Callable € 2026-2029	43	24	198,400	86,600	198,352.00	87,668.07
5.5% Yacht Lift Malta plc Secured Callable € 2021-2025	1	4	10,000	23,000	10,000.00	23,015.00
<b>Total all Securities</b>	<b>382</b>	<b>448</b>	<b>3,039,400</b>	<b>2,714,600</b>	<b>2,983,972</b>	<b>2,681,731</b>

## MGS Movements 2023

Security Name	Date of Issue	Amount Issued	Coupon	Dates of Interest	Traded Value (EURO)	Deals	Last Closing Price
5.5% MGS 2023 (I)	14-Jul-03	78,811,283	5.500%	06-Jan 06-Jul	454,722.00	13	100.27
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	1,989,900.00	3	99.51
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	5,341,329.22	48	100.00
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	3,981,614.00	25	98.29
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	467,540.00	2	93.50
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	180,700.00	1	90.35
0.25% MGS 2026 (III)	24-May-21	163,711,000	0.250%	18-May 18-Nov	5,363,400.00	6	89.30
0.1% MGS 2026 (IV)	4-Aug-21	183,000,000	0.100%	20-Jan 20-Jul	-	-	-
3.55% MGS 2026 (V) I	19-Jul-23	64,000,000	3.550%	08-Jan 08-Jul	-	-	-
3.55% MGS 2026 (V) R	26-Jul-23	111,564,200	3.550%	08-Jan 08-Jul	1,967,302.63	138	101.75
3.85% MGS 2026 (VI)	18-Oct-23	177,500,000	3.850%	05-Feb 05-Aug	-	-	-
1.5% MGS 2027 (I)	20-Feb-17	90,954,500	1.500%	15-Jun 15-Dec	3,960,907.20	15	93.73
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	901,000.00	1	90.10
0.4% MGS 2027 (IV)	1-Mar-21	226,300,000	0.400%	19-May 19-Nov	8,385,650.00	1	86.45
0.9% MGS 2027 (V)	23-Feb-22	110,000,000	0.900%	12-Feb 12-Aug	-	-	-
3.4% MGS 2027 (VI)	24-Mar-23	128,344,400	3.400%	24-Mar 24-Sep	2,772,803.07	119	101.12
3.4% MGS 2027 (VI) R	28-Oct-22	52,844,400	3.400%	24-Mar 24-Sep	227,859.70	33	102.16
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	2,372,640.21	58	108.12
4.5% MGS 2028 (II)	1-Mar-13	286,651,500	4.500%	25-Apr 25-Oct	3,180,333.12	108	107.10
7% MGS 2028 (III)	16-Jul-18	260,500	7.000%	13-Jan 13-Jul	-	-	-
1.7% MGS 2028 (IV)	9-May-22	58,100,000	1.700%	04-Feb 04-Aug	690,095.00	5	90.83
2.6% MGS 2028 (V)	22-Nov-22	120,028,100	2.600%	22-May 22-Nov	647,038.14	46	98.01
2.6% MGS 2028 (V) I	20-Jul-22	106,465,000	2.600%	22-May 22-Nov	-	-	-
2.6% MGS 2028 (V) R	25-Jul-22	13,563,100	2.600%	22-May 22-Nov	-	-	-
3.5% MGS 2028 (VI)	7-Jul-23	243,427,200	3.500%	07-Jan 07-Jul	924,372.39	71	102.51
3.5% MGS 2028 (VI) I	1-Mar-23	155,500,000	3.500%	07-Jan 07-Jul	249,375.00	1	99.75
3.5% MGS 2028 (VI) R	7-Mar-23	87,927,200	3.500%	07-Jan 07-Jul	780,086.59	23	101.50
3.95% MGS 2028 (VII)	18-Oct-23	164,400,000	3.950%	08-Feb 08-Aug	2,012,000.00	1	100.60
5.1% MGS 2029 (I)	22-Jun-12	79,144,900	5.100%	01-Apr 01-Oct	7,324,590.20	40	111.35
2.3% MGS 2029 (II)	16-Jun-15	143,518,400	2.300%	24-Jan 24-Jul	1,952,223.50	51	96.40
1.85% MGS 2029 (III)	11-Dec-18	286,500,000	1.850%	30-May 30-Nov	90,100.00	1	90.10
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	19,383,611.65	124	113.18
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	4,109,529.95	60	114.98
1% MGS 2031 (II)	2-Mar-20	255,000,000	1.000%	23-Apr 23-Oct	1,862,840.26	13	80.54
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	4,807,135.00	15	81.72
4.65% MGS 2032 (I)	4-Nov-13	140,454,200	4.650%	22-Jan 22-Jul	1,746,794.30	57	112.09
4.45% MGS 2032 (II)	3-Mar-14	153,111,700	4.450%	03-Mar 03-Sep	1,437,822.83	49	110.00
1.6% MGS 2032 (III)	23-Feb-22	58,400,000	1.600%	03-May 03-Nov	257,130.00	1	85.71
2.1% MGS 2032 (IV)	9-May-22	20,000,000	2.100%	15-Apr 15-Oct	764,277.50	6	86.33
7% MGS 2032 (V)	23-Jun-22	677,400	7.000%	22-Jun 22-Dec	-	-	-
2.9% MGS 2032 (VI)	24-Oct-22	57,720,300	2.900%	24-Apr 24-Oct	266,087.46	30	96.56
4% MGS 2032 (VII)	30-Mar-23	240,297,300	4.000%	30-Mar 30-Sep	9,248,235.76	380	107.00
4% MGS 2032 (VII) R	28-Oct-22	240,297,300	4.000%	30-Mar 30-Sep	4,508,157.05	234	105.51
4.3% MGS 2033 (I)	9-Jun-14	150,699,900	4.300%	01-Feb 01-Aug	1,596,246.94	47	107.50
7% MGS 2033 (II)	3-Jul-23	1,078,200	7.000%	30-Jun 30-Dec	-	-	-
3.75% MGS 2033 (III)	19-Jul-23	155,500,000	3.750%	17-Feb 17-Aug	-	-	-
4% MGS 2033 (IV)	5-Dec-23	280,469,500	4.000%	05-Jun 05-Dec	988,756.16	31	107.72
4% MGS 2033 (IV) I	12-Sep-23	217,000,000	4.000%	05-Jun 05-Dec	-	-	-
4% MGS 2033 (IV) R	19-Sep-23	63,469,500	4.000%	05-Jun 05-Dec	855,518.50	49	103.25
4.1% MGS 2034 (I)	4-Apr-14	200,075,700	4.100%	18-Apr 18-Oct	1,169,273.67	73	108.69
2.2% MGS 2035 (I)	20-Feb-17	20,539,100	2.200%	24-May 24-Nov	111,893.92	10	83.49
1% MGS 2035 (II)	1-Mar-21	144,200,000	1.000%	23-Feb 23-Aug	2,970,783.98	21	69.94
2.5% MGS 2036 (I)	17-May-16	221,733,100	2.500%	17-May 17-Nov	1,312,589.83	64	90.50
1.2% MGS 2037 (I)	4-Aug-21	85,900,000	1.200%	13-May 13-Nov	-	-	-
4% MGS 2038 (I)	26-Jul-23	68,484,800	4.000%	25-Feb 25-Aug	4,044,501.71	184	107.18
4.3% MGS 2038 (II)	15-Nov-23	23,145,900	4.300%	15-May 15-Nov	156,248.66	7	107.50
4.3% MGS 2038 (II) I	12-Sep-23	5,000,000	4.300%	15-May 15-Nov	98,830.00	1	98.83
4.3% MGS 2038 (II) R	19-Sep-23	18,145,900	4.300%	15-May 15-Nov	291,250.00	12	101.57
2.1% MGS 2039 (I)	24-Oct-16	159,102,100	2.100%	24-Feb 24-Aug	793,786.66	56	84.17
3% MGS 2040 (I)	2-Mar-15	162,276,100	3.000%	11-Jun 11-Dec	1,092,138.91	86	94.35
2.4% MGS 2041 (I)	25-Jan-17	153,669,800	2.400%	25-Jan 25-Jul	717,090.99	56	85.77
3.4% MGS 2042 (I)	26-Aug-22	22,866,000	3.400%	26-Feb 26-Aug	272,817.66	25	98.50
4% MGS 2043 (I)	26-May-23	105,752,300	4.000%	26-May 26-Nov	5,941,262.29	312	106.32
4% MGS 2043 (I) I	1-Mar-23	14,500,000	4.000%	26-May 26-Nov	-	-	-
4% MGS 2043 (I) R	7-Mar-23	91,252,300	4.000%	26-May 26-Nov	4,535,303.90	159	100.50
1.5% MGS 2045 (I)	2-Mar-20	153,700,000	1.500%	22-Apr 22-Oct	356,717.00	11	67.00
1.4% MGS 2046 (I)	1-Mar-21	145,800,000	1.400%	20-Feb 20-Aug	-	-	-
2.6% MGS 2047 (I)	9-May-22	20,000,000	2.600%	27-Mar 27-Sep	359,788.00	5	70.46
1.8% MGS 2051 (I)	30-Aug-21	127,164,700	1.800%	28-Feb 28-Aug	29,378.85	10	64.00
2% MGS 2051 (II)	27-Sep-21	129,100,000	2.000%	10-Jan 10-Jul	59,367.00	2	59.39
2.4% MGS 2052 (I)	23-Feb-22	69,000,000	2.400%	13-Feb 13-Aug	-	-	-



## Market Capitalisation as at 31 December 2023

Security	No of Shares	Close Price	Capitalisation in Euro
<b>Equities</b>			
APS Bank plc Ord €0.25	377,803,569	0.580	219,126,070.02
AX Real Estate plc Ord A €0.125	97,193,600	0.515	50,054,704.00
Bank of Valletta plc Ord €1.00	583,849,270	1.420	829,065,963.40
BMIT Technologies plc Ord €0.10	203,595,310	0.404	82,252,505.24
FIMBank plc Ord US\$0.50	522,443,763	0.210	98,716,204.99
GO plc Ord €0.582343	101,310,488	3.060	310,010,093.28
Grand Harbour Marina plc Ord €0.12	20,000,000	1.100	22,000,000.00
Harvest Technology plc Ord €0.50	22,780,636	1.200	27,336,763.20
Hili Properties plc Ord €0.20	400,892,700	0.214	85,791,037.80
HSBC Bank Malta plc Ord €0.30	360,306,099	1.280	461,191,806.72
International Hotel Investments plc Ord €1.00	615,684,920	0.575	354,018,829.00
LifeStar Holding plc Ord €0.291172	24,102,049	1.000	24,102,049.00
LifeStar Insurance plc Ord €0.1414779585	64,814,817	0.500	32,407,408.50
Lombard Bank Malta plc Ord €0.125	154,572,263	0.900	139,115,036.70
Logus Holdings plc Ord €0.232937	31,899,000	0.170	5,422,830.00
M&Z plc Ord €0.125	44,000,000	0.630	27,720,000.00
Main Street Complex plc Ord €0.10	19,384,619	0.400	7,753,847.60
Malta Investments plc Ord €0.50	148,108,064	0.590	87,383,757.76
Malta International Airport plc Ord €0.25	81,179,990	5.750	466,784,942.50
Malta Properties Company plc Ord €0.32	101,310,488	0.392	39,713,711.30
MaltaPost plc Ord €0.125	77,512,020	0.470	36,430,649.40
Mapfre Middlesea plc Ord €0.21	92,000,000	1.500	138,000,000.00
MedservRegis plc Ord €0.10	101,637,634	0.620	63,015,333.08
MIDI plc Ord €0.20	214,159,922	0.310	66,389,575.82
PG plc Ord €0.25	108,000,000	2.200	237,600,000.00
Plaza Centres plc Ord €0.20	25,492,000	0.680	17,334,560.00
RS2 plc Ord €0.06	218,403,701	1.190	259,900,404.19
RS2 plc Pref €0.06	10,141,649	1.440	14,603,974.56
Santumas Shareholdings plc Ord €0.275	7,314,122	1.400	10,239,770.80
Simonds Farsons Cisk plc Ord €0.30	36,000,000	7.150	257,400,000.00
The Convenience Shop (Holding) plc Ord €0.16	30,800,000	1.050	32,340,000.00
Tigne Mall plc Ord €0.50	56,400,000	0.895	50,478,000.00
Trident Estates plc Ord €1.00	42,000,003	1.270	53,340,003.81
VBL plc Ord €0.20	248,042,645	0.230	57,049,808.35
<b>Total:</b>			<b>4,664,089,641.02</b>
<b>Corporate Bonds</b>			
5.1% 1923 Investments plc Unsecured € 2024	36,000,000	100.000	36,000,000.00
5.1% 6PM Holdings plc Unsecured € 2025	13,000,000	99.100	12,883,000.00
3.25% APS Bank plc Unsecured Subordinated € 2025-2030	55,000,000	96.500	53,075,000.00
5.8% APS Bank plc Unsecured Subordinated € 2028-2033 S1 T1	50,000,000	105.000	52,500,000.00
6.25% AST Group plc Secured € 2033	8,500,000	103.250	8,776,250.00
3.25% AX Group plc Unsecured € 2026 Series I	15,000,000	99.000	14,850,000.00
3.75% AX Group plc Unsecured € 2029 Series II	10,000,000	95.250	9,525,000.00
5.85% AX Group plc Unsecured € 2033	40,000,000	103.750	41,500,000.00
6% AX Investments plc € 2024	11,613,700	100.000	11,613,700.00
3.5% AX Real Estate plc Unsecured € 2032	40,000,000	92.800	37,120,000.00
3.5% Bank of Valletta plc € Notes 2030 S1 T1	66,920,500	89.000	59,559,245.00
3.5% Bank of Valletta plc € Notes 2030 S2 T1	44,670,400	92.000	41,096,768.00
3.75% Bank of Valletta plc Unsecured Subordinated € 2026-2031	50,000,000	92.000	46,000,000.00
4.25% Best Deal Properties Holding plc Secured € 2024	6,213,200	101.000	6,275,332.00
4.75% Best Deal Properties Holding plc Secured € 2025-2027	15,000,000	100.000	15,000,000.00
4.5% BNF Bank plc Unsecured Subordinated € 2027-2032	20,000,000	96.000	19,200,000.00
5.25% Bonnici Bros. Properties plc Unsecured € 2033 S1 T1	12,000,000	101.500	12,180,000.00
3.75% Bortex Group Finance plc Unsecured € 2027	12,750,000	97.000	12,367,500.00
3.9% Browns Pharma Holdings plc Unsecured Callable € 2027-2031	13,000,000	96.500	12,545,000.00
4% Cablenet Communication Systems plc Unsecured € 2030	40,000,000	95.000	38,000,000.00
4% Central Business Centres plc Unsecured € 2027-2033	21,000,000	93.990	19,737,900.00
4.4% Central Business Centres plc Secured € 2027 S1/17 T1	6,000,000	100.250	6,015,000.00
5.25% Central Business Centres plc Unsecured € 2025 S2 T1	2,980,000	101.000	3,009,800.00
5% CF Estates Finance plc Secured € 2028-2033	30,000,000	99.000	29,700,000.00
4.25% CPHCL Finance plc Unsecured € 2026	40,000,000	99.800	39,920,000.00
4.75% Dino Fino Finance plc Secured € 2033	7,800,000	98.100	7,651,800.00
5% Dizz Finance plc Unsecured € 2026	8,000,000	99.000	7,920,000.00
4% Eden Finance plc Unsecured € 2027	40,000,000	96.500	38,600,000.00
4.5% Endo Finance plc Unsecured € 2029	13,500,000	90.000	12,150,000.00
4% Exalco Finance plc Secured € 2028	15,000,000	99.500	14,925,000.00
4.5% G3 Finance plc Secured € 2032	12,500,000	99.700	12,462,500.00
3.7% GAP Group plc Secured € 2023-2025 Series 1	5,899,500	95.030	5,606,294.85
3.9% GAP Group plc Secured € 2024-2026	21,000,000	99.000	20,790,000.00
4.75% GAP Group plc Secured € 2025-2027	23,000,000	100.000	23,000,000.00
3.5% GO plc Unsecured € 2031	60,000,000	93.000	55,800,000.00
6.25% GPH Malta Finance plc Unsecured € 2030	18,144,000	103.150	18,715,536.00
4.5% Grand Harbour Marina plc Unsecured € 2027	15,000,000	100.000	15,000,000.00
5% Hal Mann Vella Group plc Secured € 2024	30,000,000	100.750	30,225,000.00
3.8% Hili Finance Company plc Unsecured € 2029	80,000,000	93.400	74,720,000.00
3.85% Hili Finance Company plc Unsecured € 2028	40,000,000	91.000	36,400,000.00
4% Hili Finance Company plc Unsecured € 2027	50,000,000	97.490	48,745,000.00
4.5% Hili Properties plc Unsecured € 2025	37,000,000	98.500	36,445,000.00
4.35% Hudson Malta plc Unsecured € 2026	12,000,000	98.500	11,820,000.00
3.65% International Hotel Investments plc Unsecured € 2031	80,000,000	91.300	73,040,000.00
4% International Hotel Investments plc Secured € 2026	55,000,000	100.000	55,000,000.00
4% International Hotel Investments plc Unsecured € 2026	60,000,000	97.500	58,500,000.00
5.75% International Hotel Investments plc Unsecured € 2025	45,000,000	100.500	45,225,000.00
6% International Hotel Investments plc € 2024	10,392,100	100.000	10,392,100.00
6% International Hotel Investments plc Unsecured € 2033	60,000,000	103.970	62,382,000.00
4.25% IZI Finance plc Unsecured € 2029	30,000,000	96.450	28,935,000.00
4.5% Izola Bank plc Unsecured € 2025	3,188,000	98.000	3,122,280.00
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	99.000	13,860,000.00
6% JD Capital plc Secured € 2033 Series 2 Tranche 1	11,000,000	101.500	11,165,000.00
5.5% Juel Group plc Secured € 2035	32,000,000	102.000	32,640,000.00
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	97.000	24,250,000.00
5% Mariner Finance plc Unsecured € 2032	36,929,800	100.100	36,966,729.80
5.3% Mariner Finance plc Unsecured € 2024	17,683,800	99.980	17,680,263.24
4% MeDirect Bank (Malta) plc Subordinated Unsecured £ 2024-2029	2,417,000	100.000	2,776,246.27
4% MeDirect Bank (Malta) plc Subordinated Unsecured € 2024-2029	32,202,000	94.400	30,398,688.00
5% MeDirect Bank (Malta) plc Subordinated Unsecured £ 2022-2027	1,188,000	100.000	1,364,576.15
5% MeDirect Bank (Malta) plc Subordinated Unsecured € 2022-2027	18,651,000	99.000	18,464,490.00
5.25% Mediterranean Investments Holding plc Unsecured € 2027	30,000,000	101.000	30,300,000.00
5.85% Mediterranean Investments Holding plc Unsecured € 2028	20,000,000	102.250	20,450,000.00
4.8% Mediterranean Maritime Hub Finance plc Unsecured € 2026	15,000,000	95.000	14,250,000.00
4.5% MedservRegis plc Unsecured € 2026	21,982,400	97.000	21,322,928.00
5% MedservRegis plc Secured € 2029	13,000,000	100.000	13,000,000.00
5.75% MedservRegis plc Unsecured US\$ 2026	9,148,100	95.000	7,819,592.41
4.85% Melite Finance plc Secured € 2028	9,250,000	86.000	7,955,000.00
3.75% Mercury Projects Finance plc Secured € 2027	11,500,000	99.000	11,385,000.00
4.25% Mercury Projects Finance plc Secured € 2031	11,000,000	99.500	10,945,000.00

## Market Capitalisation as at 31 December 2023 - continued

Security	No of Shares	Close Price	Capitalisation in Euro
<b>Corporate Bonds - Continued</b>			
4.3% Mercury Projects Finance plc Secured € 2032	50,000,000	98.300	49,150,000.00
4% Merkanti Holding plc Secured € 2026	25,000,000	98.900	24,725,000.00
4% MIDI plc Secured € 2026	50,000,000	96.000	48,000,000.00
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
6% Pharmicare Finance plc Unsecured € 2033	17,000,000	102.300	17,391,000.00
4.15% Phoenicia Finance Company plc Unsecured € 2023-2028	25,000,000	99.000	24,750,000.00
5.75% Plan Group plc Secured € 2028	12,000,000	101.000	12,120,000.00
3.9% Plaza Centres plc Unsecured € 2026	5,150,000	98.400	5,067,600.00
3.75% Premier Capital plc Unsecured € 2026	65,000,000	98.000	63,700,000.00
5.25% Qawra Palace plc Secured € 2033	25,000,000	100.000	25,000,000.00
4.35% SD Finance plc Unsecured € 2027	65,000,000	98.200	63,830,000.00
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	94.000	24,440,000.00
3.5% Simonds Farsons Cisk plc Unsecured € 2027	20,000,000	99.000	19,800,000.00
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	100.000	7,500,000.00
4% SP Finance plc Secured € 2029	12,000,000	92.010	11,041,200.00
4.55% St Anthony Co plc Secured € 2032	15,500,000	99.000	15,345,000.00
3.65% Stivala Group Finance plc Secured € 2029	15,000,000	95.800	14,370,000.00
4% Stivala Group Finance plc Secured € 2027	45,000,000	97.000	43,650,000.00
4.5% The Ona plc Secured € 2028-2034	16,000,000	98.500	15,760,000.00
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	96.000	19,200,000.00
3.75% Tumas Investments plc Unsecured € 2027	25,000,000	98.500	24,625,000.00
5% Tumas Investments plc Unsecured € 2024	25,000,000	100.000	25,000,000.00
3.75% Virtu Finance plc Unsecured € 2027	25,000,000	96.100	24,025,000.00
5% Von der Heyden Group Finance plc Unsecured € 2032	35,000,000	100.000	35,000,000.00
<b>Total:</b>			<b>2,491,343,098.72</b>
<b>Green Bond List</b>			
4.25% ClearFlowPlus plc Unsecured € 2033	25,000,000	101.000	25,250,000.00
<b>Total:</b>			<b>25,250,000.00</b>
<b>Malta Government Stocks</b>			
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	89.300	146,193,923.00
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	90.350	149,619,600.00
0.4% Malta Government Stock 2027 (IV)	226,300,000	86.450	195,636,350.00
0.5% Malta Government Stock 2025 (II)	230,200,000	93.500	215,237,000.00
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	90.100	165,243,400.00
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	81.720	138,842,280.00
1% Malta Government Stock 2031 (II)	255,000,000	80.540	205,377,000.00
1% Malta Government Stock 2035 (II)	144,200,000	69.940	100,853,480.00
1.2% Malta Government Stock 2037 (I)	85,900,000	79.680	68,445,120.00
1.4% Malta Government Stock 2024 (III)	201,000,000	98.290	197,562,900.00
1.4% Malta Government Stock 2046 (I)	145,800,000	103.000	150,174,000.00
1.5% Malta Government Stock 2027 (I)	90,954,500	93.730	85,251,652.85
1.5% Malta Government Stock 2045 (I)	153,700,000	67.000	102,979,000.00
1.6% Malta Government Stock 2032 (III)	58,400,000	85.710	50,054,640.00
1.7% Malta Government Stock 2028 (IV)	58,100,000	90.830	52,772,230.00
1.8% Malta Government Stock 2051 (I)	127,164,700	64.000	81,385,408.00
1.85% Malta Government Stock 2029 (III)	286,500,000	90.100	258,136,500.00
2% Malta Government Stock 2051 (II)	129,100,000	59.390	76,672,490.00
2.1% Malta Government Stock 2032 (IV)	20,000,000	86.330	17,266,000.00
2.1% Malta Government Stock 2039 (I)	159,102,100	84.170	133,916,237.57
2.2% Malta Government Stock 2035 (I)	20,539,100	83.490	17,148,094.59
2.3% Malta Government Stock 2029 (II)	143,518,400	96.400	138,351,737.60
2.4% Malta Government Stock 2041 (I)	153,669,800	85.770	131,802,587.46
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	90.500	200,668,455.50
2.6% Malta Government Stock 2028 (V)	120,028,100	98.010	117,639,540.81
2.6% Malta Government Stock 2047 (I)	20,000,000	70.460	14,092,000.00
2.9% Malta Government Stock 2032 (VI)	57,720,300	96.560	55,734,721.68
3% Malta Government Stock 2040 (I)	162,276,100	94.350	153,107,500.35
3.3% Malta Government Stock 2024 (I)	24,051,100	100.000	24,051,100.00
3.4% Malta Government Stock 2042 (I)	22,866,000	98.500	22,523,010.00
3.4% Malta Government Stock 2027 (VI)	128,344,400	101.120	129,781,857.28
3.5% Malta Government Stock 2028 (VI)	243,427,200	102.510	249,537,222.72
3.55% Malta Government Stock 2026 (V I)	64,000,000	99.900	63,935,808.00
3.55% Malta Government Stock 2026 (V R)	111,564,200	101.750	113,516,573.50
3.7% Malta Government Stock 2030 (II)	139,900,000	101.753	142,352,447.00
3.75% Malta Government Stock 2033 (III)	155,500,000	99.068	154,050,118.00
3.85% Malta Government Stock 2026 (VI)	177,500,000	99.469	176,556,765.00
3.95% Malta Government Stock 2028 (VII)	164,400,000	100.600	165,386,400.00
4% Malta Government Stock 2033 (IV)	280,469,500	107.720	302,121,745.40
4% Malta Government Stock 2038 (I)	68,484,800	107.180	73,402,008.64
4% Malta Government Stock 2043 (I)	105,752,300	106.320	112,435,845.36
4% Malta Government Stock 2032 (VII)	240,297,300	107.000	257,118,111.00
4.1% Malta Government Stock 2034 (I)	200,075,700	108.690	217,462,278.33
4.3% Malta Government Stock 2033 (II)	150,699,900	107.500	162,002,392.50
4.3% Malta Government Stock 2038 (II)	23,145,900	107.500	24,881,842.50
4.45% Malta Government Stock 2032 (III)	153,111,700	110.000	168,422,870.00
4.5% Malta Government Stock 2028 (II)	286,651,500	107.100	307,003,756.50
4.65% Malta Government Stock 2032 (II)	140,454,200	112.090	157,435,112.78
4.8% Malta Government Stock 2028 (II)	107,029,500	108.120	115,720,295.40
5.1% Malta Government Stock 2029 (II)	79,144,900	111.350	88,127,846.15
5.2% Malta Government Stock 2031 (I)	201,343,600	114.980	231,504,871.28
5.25% Malta Government Stock 2030 (I)	440,165,700	113.180	498,179,539.26
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
7% Malta Government Stock 2033 (II)	1,078,200	100.000	1,078,200.00
<b>Total:</b>			<b>8,065,141,301.51</b>
<b>Treasury Bills</b>			
90 Day Treasury Bill 29.12.23 - 28.03.24	13,027,000	99.1124	12,911,372.35
91 Day Treasury Bill 05.10.23 - 04.01.24	19,067,000	99.1151	18,898,276.12
91 Day Treasury Bill 12.10.23 - 11.01.24	12,861,000	99.1171	12,747,450.23
91 Day Treasury Bill 19.10.23 - 18.01.24	14,880,000	99.1327	14,750,945.76



## Market Capitalisation as at 31 December 2023 - continued

Security	No of Shares	Close Price	Capitalisation in Euro
<b>Treasury Bills - Continued</b>			
91 Day Treasury Bill 26.10.23 - 25.01.24	21,602,000	99.1369	21,415,553.14
91 Day Treasury Bill 09.11.23 - 08.02.24	27,779,000	99.1449	27,541,461.77
91 Day Treasury Bill 16.11.23 - 15.02.24	31,177,000	99.1084	30,899,025.87
91 Day Treasury Bill 23.11.23 - 22.02.24	41,802,000	99.0873	41,420,473.15
91 Day Treasury Bill 30.11.23 - 29.02.24	43,637,000	99.0985	43,243,612.45
91 Day Treasury Bill 07.12.23 - 07.03.24	37,931,000	99.0893	37,585,562.38
91 Day Treasury Bill 14.12.23 - 14.03.24	55,165,000	99.0868	54,661,233.22
91 Day Treasury Bill 21.12.23 - 21.03.24	62,263,000	99.0898	61,696,282.17
181 Day Treasury Bill 29.12.23 - 27.06.24	6,394,000	98.2984	6,285,199.70
182 Day Treasury Bill 06.07.23 - 04.01.24	14,123,000	98.3630	13,891,806.49
182 Day Treasury Bill 13.07.23 - 11.01.24	9,558,000	98.3620	9,401,535.54
182 Day Treasury Bill 20.07.23 - 18.01.24	4,101,000	98.3894	4,034,949.29
182 Day Treasury Bill 03.08.23 - 01.02.24	6,893,000	98.5080	6,790,156.44
182 Day Treasury Bill 24.08.23 - 22.02.24	2,010,000	98.7332	1,984,537.32
182 Day Treasury Bill 31.08.23 - 29.02.24	2,500,000	98.8758	2,471,895.00
182 Day Treasury Bill 28.09.23 - 28.03.24	4,000,000	98.4511	3,938,044.00
182 Day Treasury Bill 05.10.23 - 04.04.24	4,836,000	98.2989	4,753,734.80
182 Day Treasury Bill 12.10.23 - 11.04.24	6,512,000	98.2945	6,400,937.84
182 Day Treasury Bill 02.11.23 - 02.05.24	8,907,000	98.3023	8,755,785.86
182 Day Treasury Bill 23.11.23 - 23.05.24	10,559,000	98.2418	10,373,351.66
182 Day Treasury Bill 07.12.23 - 06.06.24	44,400,000	98.2623	43,628,461.20
182 Day Treasury Bill 14.12.23 - 13.06.24	26,903,000	98.2613	26,435,237.54
182 Day Treasury Bill 21.12.23 - 20.06.24	42,729,000	98.2481	41,980,430.65
273 Day Treasury Bill 11.05.23 - 08.02.24	19,701,000	97.6460	19,237,238.46
273 Day Treasury Bill 27.07.23 - 25.04.24	13,060,000	97.6540	12,753,612.40
273 Day Treasury Bill 17.08.23 - 16.05.24	5,477,000	98.0530	5,370,362.81
273 Day Treasury Bill 26.10.23 - 25.07.24	4,414,000	97.3174	4,295,590.04
274 Day Treasury Bill 20.09.23 - 20.06.24	1,850,000	97.9075	1,811,288.75
364 Day Treasury Bill 16.02.23 - 15.02.24	21,130,000	97.0417	20,504,911.21
364 Day Treasury Bill 23.03.23 - 21.03.24	12,330,000	96.9323	11,951,752.59
364 Day Treasury Bill 20.04.23 - 18.04.24	13,150,000	97.0169	12,757,722.35
364 Day Treasury Bill 10.08.23 - 08.08.24	3,599,000	97.0890	3,494,233.11
364 Day Treasury Bill 19.10.23 - 17.10.24	1,295,000	96.5764	1,250,664.38
<b>Total:</b>			<b>662,324,688.03</b>
<b>IFSM</b>			
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
5% Hom Re Limited Unsecured US\$ Bonds 2030	50,200,000	100.000	45,168,256.25
<b>Total:</b>			<b>51,168,256.25</b>
<b>Exchange Traded Funds</b>			
Metatron Long Term Equity Fund EUR Class D Capitalisation Participating Shares	283,750.4576	239.5958	67,985,417.89
<b>Total:</b>			<b>67,985,417.89</b>
<b>Prospects MTF</b>			
<b>Equities</b>			
Best Deal Properties Holding plc Ord €0.10	3,125,000	1.600	5,000,000.00
<b>Total:</b>			<b>5,000,000.00</b>
<b>Corporate Bonds</b>			
5.5% Anchovy Studios plc Unsecured € 2027	1,000,000	102.300	1,023,000.00
5% Borgo Lifestyle Finance plc Secured Callable € 2026-2029	5,000,000	96.000	4,800,000.00
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	98.200	3,928,000.00
4.75% Camilleri Finance plc Unsecured € 2027	4,150,000	100.250	4,160,375.00
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	6,875,100	92.990	6,393,155.49
5% FES Finance plc Secured € 2029	5,000,000	96.990	4,849,500.00
4.75% Gillieru Investments plc Secured € 2028	5,000,000	99.250	4,962,500.00
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	96.900	4,845,000.00
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	95.000	5,700,000.00
5.25% Klikk Finance plc Unsecured € 2027	1,663,100	100.000	1,663,100.00
4.875% Lidion Holdings plc Senior Secured € 2024	1,784,000	97.400	1,737,616.00
5% Luxury Living Finance plc Secured € 2028	8,000,000	99.450	7,956,000.00
5.5% Testa Finance plc € 2029	3,900,000	98.000	3,822,000.00
5% The Convenience Shop Holding plc Unsecured Callable € 2026-2029	5,000,000	100.000	5,000,000.00
5.5% Yacht Lift Malta plc Secured Callable € 2021-2025	2,000,000	100.000	2,000,000.00
<b>Total:</b>			<b>79,540,246.49</b>
<b>Total All Securities</b>			<b>16,111,842,649.91</b>

## Collective Investment Funds Investing in MSE Listed Securities

Fund	Net Asset Value in EURO 31 Dec 23	Net Asset Value in EURO 31 Dec 22
Amalgamated Funds SICAV plc - Growth and Income Fund	87,923,439*	65,251,854**
APS Funds SICAV plc - APS Income Fund	62,781,209	69,557,830
CC Funds SICAV plc - Malta Government Bond Fund	32,764,284	33,338,894
CC Funds SICAV plc - Malta High Income Fund Class A EUR Accumulation Investor Shares	8,175,342	8,567,542
CC Funds SICAV plc - Malta High Income Fund Class B EUR Distribution Investor Shares	12,562,403	13,369,701
HSBC Malta Funds SICAV plc - Malta Bond Fund	116,930,144	120,019,768
HSBC Malta Funds SICAV plc - Malta Government Bond Fund	57,463,518	62,645,409
HSBC Malta Funds SICAV plc - Maltese Assets Fund	54,182,131	48,209,578
Kylin Prime SICAV plc - Malta Government Securities Fund Class A EUR MGS Shares	447,984***	903,171****
Magiston Funds SICAV plc - Integra New Horizon Fund Class H EUR Distribution Shares	11,797,173	11,574,513
Vilhena Funds SICAV plc - Malta Bond Fund	135,578,177	139,950,788
Vilhena Funds SICAV plc - Malta Fund	36,064,573	36,348,186
Vilhena Funds SICAV plc - Malta Government Bond Fund	192,635,662	213,560,872
Vilhena Funds SICAV plc - Maltese Opportunities Fund	32,933,538	20,706,879

\*Valuation as at 31 October 2023 \*\*Valuation as at 30 November 2022 \*\*\*Valuation as at 29 September 2023 \*\*\*\*Valuation as at 30 June 2022

## Regulated Main Market Listed Securities

as at 31 December 2023

Equities		34
Corporate Bonds		100
Green Bonds		1
Malta Government Stocks		67
Treasury Bills		37
Exchange Traded Funds		1
Collective Investment Schemes	Primary Listed - 41	
	Secondary Listed - 12	
<b>Total:</b>		<b>293</b>

## IFSM Listed Securities

as at 31 December 2023

Equities		-
Corporate Bonds		3
<b>Total:</b>		<b>3</b>

## Prospects MTF Admitted Securities

as at 31 December 2023

Equities		1
Corporate Bonds		20
<b>Total:</b>		<b>21</b>

## Admissions During 2023

### Equities

9,894,985	APS Bank plc Ordinary Shares €0.25	31-May-23
318,900	APS Bank plc Ordinary Shares €0.25	30-Jun-23
672,516	APS Bank plc Ordinary Shares €0.25	18-Oct-23
2,016,197	Lombard Bank Malta plc Ordinary Shares €0.125	20-Jul-23
61,828,332	Lombard Bank Malta plc Ordinary Shares €0.125	16-Nov-23
118,108,064	Malita Investments plc Ordinary Shares €0.50	28-Dec-23
1,101,290	MaltaPost plc Ordinary Shares €0.25	16-Mar-23
38,756,010	MaltaPost plc Ordinary Shares €0.125	21-Mar-23
1,313,974	RS2 plc Ordinary Shares €0.06	16-Nov-23
28,320	RS2 plc Preference Shares €0.06	16-Nov-23
30,800,000	The Convenience Shop (Holding) plc Ordinary Shares €0.16	10-May-23

### Corporate Bonds

30,000,000	5% CF Estates Finance plc Secured € Bonds 2028-2033	13-Jan-23
36,929,800	5% Mariner Finance plc Unsecured € Bonds 2032	03-Jan-23
12,000,000	5.25% Bonnici Bros. Properties plc Unsecured € Bonds 2033 Series 1 Tranche 1	03-Apr-23
25,000,000	5.25% Qawra Palace plc Secured € Bonds 2033	08-Feb-23
32,000,000	5.5% Juel Group plc Secured € Bonds 2035	04-Jul-23
12,000,000	5.75% Plan Group plc Secured € Bonds 2028	29-Nov-23
50,000,000	5.8% APS Bank plc Unsecured Subordinated € Bonds 2028-2033 S1 T1	13-Nov-23
40,000,000	5.85% AX Group plc Unsecured € Bonds 2033	07-Nov-23
20,000,000	5.85% Mediterranean Investments Holding plc Unsecured € Bonds 2028	28-Jul-23
60,000,000	6% International Hotel Investments plc Unsecured € Bonds 2033	13-Nov-23
11,000,000	6% JD Capital plc Secured € Bonds 2033 Series 2 Tranche 1	19-Jul-23
17,000,000	6% Pharmicare Finance plc Unsecured € Bonds 2033	03-Feb-23
8,500,000	6.25% AST Group plc Secured € Bonds 2033	16-Jun-23
18,144,000	6.25% GPH Malta Finance plc Unsecured € Bonds 2030	13-Mar-23

### Green Bond List

25,000,000	4.25% ClearFlowPlus plc Unsecured € Bonds 2033	21-Aug-23
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### Malta Government Stocks

155,500,000	3.50% Malta Government Stock 2028 (VI) I	01-Mar-23
87,927,200	3.50% Malta Government Stock 2028 (VI) R	07-Mar-23
64,000,000	3.55% Malta Government Stock 2026 (V) I	19-Jul-23
111,564,200	3.55% Malta Government Stock 2026 (V) R	26-Jul-23
155,500,000	3.75% Malta Government Stock 2033 (III)	19-Jul-23
177,500,000	3.85% Malta Government Stock 2026 (VI)	18-Oct-23
164,400,000	3.95% Malta Government Stock 2028 (VII)	18-Oct-23
217,000,000	4.00% Malta Government Stock 2033 (IV) I	12-Sep-23
63,469,500	4.00% Malta Government Stock 2033 (IV) R	19-Sep-23
68,484,800	4.00% Malta Government Stock 2038 (I)	26-Jul-23
14,500,000	4.00% Malta Government Stock 2043 (I) I	01-Mar-23
91,252,300	4.00% Malta Government Stock 2043 (I) R	07-Mar-23
5,000,000	4.30% Malta Government Stock 2038 (II) I	12-Sep-23
18,145,900	4.30% Malta Government Stock 2038 (II) R	19-Sep-23
1,078,200	7% Malta Government Stock 2033 (II)	03-Jul-23

### Treasury Bills

2,202,620,000	102 issues of Treasury Bills
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### Exchange Traded Funds

46,995,7510	Metatron Capital SICAV plc - Long Term Equity Fund EUR Class D Capitalisation Participation Shares
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## Information Technology

In April 2023, the Eurosystem Single Market Infrastructure Gateway (ESMIG) project went live with Target2 migrating into ESMIG. This consolidated Target Services, which the CSD requires for its operations, namely, Target2 (T2) and Target2-Securities (T2S), within the same infrastructure.

Changes to the CSD's software interfacing with Target2 were developed and tested prior to implementation in the production systems. These included the testing of the interfaces that handles ISO 20022 messaging with Target2. The CSD had initially adopted ISO 20022 messages for security settlement via Target2 Securities in 2015. The integration of Target2 into ESMIG extends these ISO standards to messaging for cash settlement to and from Target2.

Testing has also been conducted for integration into the Eurosystem Collateral Management System (ECMS). This system will replace the current infrastructure with a centralised system, whereby the parties, including CSDs, triparty agents and counterparties, are granted access to the ECMS. This access facilitates the mobilisation and demobilisation of financial instruments held at the CSD by counterparties, along with the processing of corporate actions in the respective financial instruments.

The testing included connectivity tests to the ECMS test platform and the development and testing of messaging applications that manage the interaction between the CSD system and the ECMS for the mobilisation and demobilisation of financial instruments. The testing was conducted with the involvement of the Central Bank of Malta and counterparties. The testing will continue in 2024 in preparation for the ECMS project going live in the last quarter of 2024.

As a licensed financial institution, the Malta Stock Exchange is required to comply with various regulations, including the upcoming Digital Operational Resilience Act (DORA), which is scheduled to come into effect in January 2025. Throughout 2023, the Exchange analysed and implemented the necessary measures to meet the requirements outlined in DORA. The European Supervisory Authorities published the initial set of technical standards in the beginning of 2024, with further technical standards anticipated to be published in the third quarter of 2024.

In 2023, the Exchange continued the process of strengthening its IT infrastructure and security protocols. In line with its commitment to continue implementing industry standards and ensuring compliance with regulatory requirements and operational readiness, the Exchange implemented various upgrades and projects as agreed following rigorous internal IT audits and regulatory inspections.

Throughout the year, the Exchange has continued investing in cloud technology as part of its ongoing strategic efforts

to bolster operational agility and efficiency. Through this investment, the Exchange continued to modernise its IT infrastructure and also introduced more effective, secure and productive tools for end users, while simplifying access to these tools and services for all stakeholders.

Cybersecurity remains a top priority for the Exchange, with ongoing efforts to safeguard against emerging threats. The Exchange continued to strengthen its defences and enhance resilience against evolving cyber threats through the implementation of new technologies and upgrading its existing technological infrastructure, together with the adoption of industry standards and practices.

In 2023, the Exchange further enhanced its information security governance by outsourcing its Information Security Function to independent external experts, who are directly accountable to the Board. This external team collaborates closely with in-house information security and information technology personnel, ensuring active and continuous monitoring, as well as the improvement of the Exchange's information security structures.

## National Numbering Agency

A total of 287 International Securities Identification Numbers (ISINs) were issued in 2023. Of these, 139 ISINs were issued for financial instruments listed on the Exchange and another 148 were issued for unlisted securities.

## Reporting in line with the European Markets Infrastructure Regulation

At the end of 2023, 18 counterparties and 156 delegating counterparties were using the Exchange's European Markets Infrastructure Regulation (EMIR) reporting service. In total, 86,855 trades were reported through the MSE's reporting facility in 2023.

## Malta Stock Exchange Institute

The Malta Stock Exchange Institute (MSEI) marked its sixth year of operations having organised a total of 97 online courses and attracted almost 1,400 students throughout the year. A number of new, bespoke courses for individual organisations were also held.

The Institute offered 70 unique courses that broadly fell under the following subject areas: capital markets, corporate risk, cryptocurrencies and blockchain, Corporate Services Providers' regulations, cyber security, financial reporting, tax and VAT, fund administration and management, human resources, IT, portfolio

risk, regulations and compliance, risk management, trusts and areas of general interest.

Feedback from attendees remained very favourable, with attendees showing high levels of satisfaction with the administration, quality of the courses and lecturers' expertise. This is also evidenced by high repeat customer attendance and also a significant number of organisations that consistently register their staff to attend MSEI courses, which are all delivered online.

Promotion for MSEI courses, which also attracted attendance from outside Malta, was primarily through the MSE's website and via e-mail and social media.

## Erasmus Plus Projects

Once again, the Institute participated in the Erasmus Plus Framework through the lead and co-ordination of the Fairness project, 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 Institute was also a partner in another project entitled Beyond Capital – The Next Generation of Social Enterprises, which was led and co-ordinated by the Maltese-Italian Chamber of Commerce. This project was successfully concluded in October 2023.

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## 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 2023

The Malta Stock Exchange (the “Exchange”) supports the Corporate Governance Code for Authorised Entities (the “Code”), published by the Malta Financial Services Authority. The Exchange is committed to ensuring, on a *best effort basis*, that it operates through a sound corporate governance structure by setting a culture of good ethical behaviour, managing stakeholders, and ensuring that adequate systems for control and oversight of the business are in place.

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.

The Exchange is hereby presenting a statement of compliance for the year ended 31 December 2023, 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.

## Section 1: The Effective Board

### *The Role and Function 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 is, among other things, collectively responsible for accountability, oversight and monitoring, risk management, transparency, legal and regulatory compliance, strategy formulation and policy development of the Exchange, aimed at ensuring its long-term sustainable success.

The Board has responsibility for setting the strategy, overseeing the strategic planning process and reviewing and monitoring management’s execution of policy and strategy. The Board ensures that management has the necessary material and human resources to meet the Exchange’s objectives. 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 evaluates corporate strategy and monitors performance against its financial objectives, through reports prepared by the finance office. Key Performance Indicators (“KPIs”) to measure against financial objectives are in place and further KPIs will be developed in order to also measure and monitor non-financial metrics.

The Board is responsible for ensuring that an adequate internal control framework is in place and is ultimately responsible for the identification and evaluation of key risks applicable to the different areas of the Exchange’s operations, whilst ensuring that the Exchange remains operating within the boundaries of its risk appetite. The Board has delegated management with the task of creating an effective control environment to the highest possible standards. This includes the implementation of appropriate policies and procedures for the entity, which are kept under review as appropriate, to ensure effectiveness. This is monitored by the Board through internal audit reports, the compliance function, and the risk management function.

The Board is also responsible for the integrity of the accounting and financial reporting systems, including financial and operational controls. This responsibility is entrusted in the Exchange’s finance function which is headed and run by a team of qualified and trained personnel in the accounting and auditing field.

The power, obligation or responsibility of the Board emanate and are defined in the Financial Markets Act (Cap. 345 of the Laws of Malta), as well as the Articles of Association of the Exchange. The terms of reference of the Board are further detailed in the Bye Laws of the Exchange. The Board is also considering written documentation to provide further clarity to its remit and power in a Board Charter or Board Terms of Reference.

### *Structure and Composition of the Board of Directors*

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 knowledge, judgement and experience to complete their tasks in an appropriate and professional manner, ensuring that the Board fulfilled its fundamental responsibilities and ensured adequate oversight over the operations of the Exchange. Furthermore, each Director



in office ensures to apply the necessary time and attention to his duties and undertakes to limit the number of directorships or other commitments held in other companies to such an extent that the proper performance of his duties is assured. A procedure to this effect will be included in the above-mentioned Board Charter or Board Terms of Reference.

As at 31 December 2023, the Board was 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 composition of the Board of the Exchange ensures timely and effective decision making.

The members of the Board, as at 31 December 2023, were:

Mr Joseph Portelli (Chairman);  
Prof. Joseph Falzon (Deputy Chairman);  
Mr Steven Tedesco;  
Dr Stephanie Fabri;  
Mr Maurice Gruppetta; and  
Mr Michael Parnis.

The Board considers that all its 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 Non-Executive Directors is not compromised because of long service or the provision of any other service to the Exchange. The Director is mindful of maintaining independence, professionalism and integrity in carrying out their duties and responsibilities while providing judgment as a Director of the Exchange.

The Board considers that none of the independent Non-Executive 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.

Furthermore, 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.

#### *Company Secretary*

The Board formally appoints a Company Secretary, whose primary responsibility, in close collaboration with the Chairperson, is to oversee the governance affairs of the Exchange. This includes maintaining rigorous records of all Board proceedings, providing essential counsel to the Board, facilitating seamless information flow within the Board and its Committees, and supporting professional development initiatives as required. All Directors have the right to avail themselves of the guidance and assistance provided by the Company Secretary, who bears the responsibility of ensuring adherence to established Board procedures.

#### *Board Committees*

The Board has set up Committees to provide the required assistance in adequately carrying out its duties. In this regard, the Board is mindful that their composition is set up in accordance with the criteria outlined for the Board's composition and that the Board Committees are provided with the relevant information and sufficient resources to undertake their duties in a timely manner. The powers and remit of each of the Board Committees established, are clearly documented in the terms of reference of each Committee, the latter being approved by the same Board.

In this regard, the Board has established the following Committees to assist in adequately carrying out its duties:

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

#### *Audit Committee*

The Board delegates certain powers, authority and discretion to the Audit Committee. The Audit Committee's primary role is to protect the interests of the Exchange's Shareholder, the Government of Malta, and to oversee the Exchange's financial reporting process and the relationship with the external and internal auditors.

This Committee approves the internal audit work plan, which will include an assessment of controls relating to financial reporting and other risks, as appropriate. The Internal Auditor has 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 2023, were:

Mr Steven Tedesco (Chairman);  
 Dr Stephanie Fabri;  
 Mr Michael Parnis;  
 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 nine times in 2023. The External Auditors were invited to and attended one of these meetings to discuss the 2022 Annual Report. The Internal Auditor attended two Audit Committee meetings in 2023. Additionally, the Chair of the Audit Committee is in continuous contact with the Internal Auditor.

The Exchange is currently in the process of amending its Bye Laws which govern the composition of Board Committees, including the Audit Committee, to ensure that Non-Executive Directors appointed to these Committees hold majority voting power. This will be achieved by establishing voting members comprising majority of Non-Executive Directors, supplemented by non-voting members from Executive Management to address business requirements.

#### *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 Committee ensures that the Exchange undertakes a company-wide risk management framework approach, extended across its business lines and internal functions, to provide awareness and consideration of the risks exposure and to enable fully informed decisions on risk taking.

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 2023, were:

Prof Joseph Falzon (Chairman);  
 Mr Maurice Gruppetta;  
 Mr Joseph Portelli;  
 Mr Simon Zammit;  
 Mr Alfred Sammut;  
 Ms Charmaine Baldacchino; and  
 Ms Marie Cordina.

The Risk Management Committee met four times in 2023.

#### *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 policy for remuneration of Directors does not fall within the remit of the Board. The Remuneration Committee 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.

No member of the Remuneration Committee may be present while his remuneration is being discussed at a meeting of such Committee.

The members of the Remuneration Committee, as at 31 December 2023, were:

Mr Maurice Gruppetta (Chairman);  
Prof Joseph Falzon;  
Mr Steven Tedesco;  
Dr Stephanie Fabri; and  
Mr Joseph Portelli.

The Remuneration Committee met once in 2023.

### **Appointment and Succession**

The Code requires authorised entities to have a formal, rigorous, and transparent process for the appointment of Directors, based on merit and objective criteria. This is not considered to be applicable to the Exchange considering that the appointment of Directors is at the sole discretion of the Shareholder.

Notwithstanding, on appointment and throughout their term, Directors are guided by the Chairman and the Company Secretary in relation to the Exchange's general business environment and corporate strategy, values and risk appetite, and business operations. Additionally, Directors are provided access to the Exchange's policies and procedures ensuring that they are also aware of their statutory and fiduciary duties and the Board's general expectations. Directors have the facility to attend courses provided by the Malta Stock Exchange Institute and any other training provided by third parties relevant to their role with the Exchange, free of charge. Directors report training undertaken.

Whereas the Code 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 to the Exchange since the Board is composed solely of non-executive members, except for the Executive Chairman.

### **Chairperson of the Board and 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 leading the Board and setting its agenda; facilitating the efficient resolution of issues; ensuring that the Board is run effectively and that the entity is adequately directed; ensuring that the Directors receive precise, timely, relevant and objective information; ensuring effective communication with shareholders; ensuring that Directors have equal opportunity to express their point of view; and encouraging active engagement by all members of the Board during meetings, even when discussing complex or contentious issues.

The Chief Executive Officer was appointed by the Board and is primarily responsible for:

- leading the implementation of the strategy set by the Board;
- ensuring systems are in place to provide for the development and training of management and employees generally;
- monitoring management and staff morale;
- the recruitment and appointment of Senior Management.

The Chief Executive Officer is not directly responsible for the Compliance function, although he is consulted regularly on compliance issues.

### **Remuneration of the Board and Senior Management**

The Remuneration of the Board is decided directly by the Shareholder. The Remuneration Committee is responsible to discuss and recommend to the Board any variable elements of senior management's remuneration.

### **Evaluation of the Board Performance**

The Board reports directly to the sole Shareholder of the Exchange. Should the Board not perform as expected, the Shareholder would discuss and manage its composition accordingly. No material changes in the governance structures and organisation resulted during 2023.

### **Board Meetings**

The Board meets 12 times a year unless further meetings are required in accordance with the needs of the Exchange. In 2023, the Board met 13 times. The Chairman ensures that Board Meetings are well-structured to ensure the Board discharges its duties effectively through a balance between long-term strategic and shorter-term performance agenda items. Directors are given ample opportunity during meetings to express their opinions and to discuss issues set on the Board agenda.

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.



Notice of the dates of the forthcoming meetings, agendas and supporting material are circulated, by the Company Secretary, in advance, to the Directors so that they have ample opportunity to appropriately consider the information prior to the Board meeting. 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 for comments and subsequent approval.

### **Conflict of Interest and Confidentiality**

The Board's 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 this respect, in line with current procedure, a Director who is in any way interested in a contract, proposed contract, transaction or arrangement with the Exchange, shall declare the nature of the interest at a meeting of the Board and shall not vote in respect to any transaction, contract or arrangement in which he/she has a personal material interest. The current procedure calls for all conflicts of interest to be declared by Board Members and a register of declared conflicts is maintained by the Board Secretariat. The Exchange ensures, through the safeguard mechanisms put in place, the confidentiality of such information and prevents any leakage of information.

All Exchange employees, including the Board of Directors, are governed by a Code of Conduct and Ethics which requires that prior consent is obtained for any engagement, whether performed directly or indirectly, whether voluntarily or with remuneration, in any business, work, activity or the acceptance of any office or appointment, which is incompatible or in conflict (whether directly or indirectly) with their role at the Exchange or with the activities carried out by the Exchange.

### **Ethics Framework**

The Exchange has in place a 'Code of Conduct & Ethics' and a 'Whistleblowing Policy'. The purpose of this Policy is to establish a uniform framework relating to the behaviour and responsibilities of employees towards the Exchange, including compliance with confidentiality requirements and to encourage employees to communicate events that raise serious concerns about the Exchange. The Policy applies to all employees of the Exchange, and it outlines the principles and standards of best practice to follow to act with integrity and professionalism.

All employees upon joining the service of the Exchange shall be required to declare in writing to the Exchange that they have received and understood this Policy.

## **Section 2: Internal Controls**

The Board is responsible for ensuring an adequate internal control framework and is ultimately responsible for the

identification and evaluation of key risks applicable to the different areas of the Exchange's operations. To achieve appropriate internal control mechanisms, the Board has embedded the Three Lines Model in its organisation structure.

Directors, including Non-Executive Directors particularly through their roles on the Board Committees, challenge, monitor and manage the processes in place related to financial controls, risk management, legal and regulatory requirements, and ICT and security risks.

### **Risk Management**

The Risk Management Policy establishes a uniform framework to be adopted by the Exchange in respect of its risk management responsibilities and functions. The Exchange adopts an Enterprise Risk Management approach and fulfils its risk management responsibilities through its Operational Risk Manager, Risk Management Officers (these being the heads of departments), and the Risk Management Committee. The Board is ultimately responsible for the adequate risk management function of the Exchange.

Risks identified throughout all functions are reported and accordingly managed through the Exchange's Risk Register.

### **Compliance**

The Exchange has in place policies and procedures designed to detect and correct risk of failure of compliance with applicable legal and regulatory obligations. The Compliance function is independent of all other functions and reports directly to the Board.

At its core, the Compliance function:

- monitors and assesses the adequacy of the policies and procedures in place designed to mitigate risk of non-compliance with legal and regulatory obligations;
- draws up and implements a compliance monitoring plan; and
- advises and assists the entity and its officials in complying with legal and regulatory obligations.

Compliance risks are regularly discussed with the Operational Risk Manager and assessed in the Exchange's Risk Register, ensuring proper documentation. The Compliance Manager is responsible for the implementation of the Compliance Monitoring Plan, which is drawn every year.

### **Internal Audit**

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, following which any matters warranting further discussion are brought to the attention of the Board.

## **ICT and Security Risk Management**

The Malta Stock Exchange has in place a risk management programme which includes, as part of the enterprise-wide risk management framework, ICT and security risk management. A separate ICT risk register that is compiled from the performance of regular risk assessments and audits is maintained and reported annually to the Board.

Risks identified by the internal stakeholders that form part of the 1Line, risks that emanate from the dependency placed on technology arrangements and the risks that are the result of reliance on the provision of services by third-party service providers are included as part of the risk register.

Contingency plans are in place to mitigate the risks arising from possible interruptions to the technological arrangements in place to ensure business continuity.

The Board is regularly updated through the Risk Management Committee, and directly by the Information Security Function, on risks and issues related to information security. These reports are discussed, and any feedback and directions for action are provided, both within the Risk Management Committee and at the Board level.

The Exchange ensures the presence of adequate agreements whenever services are outsourced to third parties. Service Level Agreements with outsourced third parties include clauses to facilitate compliance monitoring and any deviations from any pre-determined service levels are reported to the Board.

### **Business Continuity and Disaster Recovery**

Directors understand the key dependencies that are required to maintain the business operational. Directors question on how the entity is protecting itself from the impact of disruption and the plans for responding and recovering from such disruptions, and whether appropriate resources are being employed.

Contingency plans for business continuity and disaster recovery are in place to minimise risks and ensure the uninterrupted operations of the critical functions. These plans are regularly reviewed and tested to ensure their effectiveness in alignment with our policies. As explained below, the Business Continuity and Disaster Recovery Plan are in place to mitigate the technology and system risks, thus covering and ensuring continuity for the majority of the Exchange's operations. Other risks and their mitigating actions are identified within the enterprise-wide risk register and it is the intention of the Exchange to produce an enterprise-wide business continuity plan that addresses also these critical functions of its business. The Board is regularly informed about the critical dependencies between various system risks and business operations through the established governance and reporting structures. All continuity plans and risk assessments are thoroughly discussed and approved by the respective Board Committees and the Board itself.

The Exchange has implemented contingency plans outlining measures to be taken in the event of adverse occurrences. These plans include a Business Continuity Plan, an Incident Response Plan, and a Disaster Recovery Plan. They serve as essential guidance for the Exchange's IT team in the face of potential disasters that could disrupt the Exchange's IT systems and associated operations.

The Business Continuity Plan outlines the steps to be taken by the Exchange's IT team to respond to disasters caused by external factors beyond the Exchange's control (e.g. natural disasters, manmade events, cyber-attacks, etc.), aiming to restore operations to the fullest extent possible within a minimal timeframe. The Incident Response Plan manages and addresses security breaches or cyberattacks, providing a roadmap for actions to be taken after an attack occurs. It is designed to guide the IT team in responding effectively to incidents as they unfold. The Disaster Recovery Plan outlines acceptable methods for planning, preparing, managing, and mitigating the impact on IT systems in the event of a disaster. The primary objective is to reduce Recovery Time Objectives (RTO) and Recovery Point Objectives (RPO), thereby preventing unacceptable consequences associated with a disruption in business continuity.

## **Section 3: Stakeholder Engagement**

### **Engagement with Shareholders**

The Board has an open and communicative relationship with its sole Shareholder, the Government of Malta.

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

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

The Board, particularly the Executive Chairman communicates regularly with the Exchange's Employees through regular meetings and social activities. The Board also participates in the appointment of senior management in liaison with the Chief Executive Officer. 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.

Additionally, the Board ensures that the Exchange communicates with the market effectively and is committed to having an open relationship with market participants, investors, and Regulators. The Board is, as far as possible, prepared to enter into a satisfactory dialogue with market intermediaries based on the mutual understanding of objectives.

### Disclosures

The Exchange endeavours to publish timely and accurate information in line with its licence conditions and applicable regulatory frameworks. The Annual Report and Financial Statements is published within four months from year end, as required by regulatory requirements.

The Board actively promotes a corporate culture aligned with the Exchange's strategy, which enhances trust, integrity and ethics and preserves the enterprise's long-term value. The Board also cultivates a robust compliance culture.

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.

The Board has approved an internal Sustainability Policy which outlines various practical actions aimed at minimising the Exchange's environmental impact. It is the Board's intention to broaden this policy to incorporate other aspects of an ESG policy. The Exchange has conducted a comprehensive assessment of its greenhouse gas (GHG) emissions in 2022. 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 in 2024.

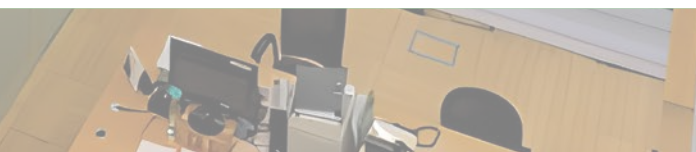
Additionally, an independent energy audit was conducted in parallel with the GHG emissions assessment to determine the Exchange's energy consumption levels and identify potential areas for reduction.







# **DIRECTORS' REPORT**







# DIRECTORS'

## REPORT

### For the Year Ended 31 December 2023

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 2023.

### 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.

In 2023, macroeconomic and geopolitical uncertainty dominated market sentiment across the world. During the early months of the year expectations of a global recession intensified, as the decades-high inflationary pressures that were triggered from the extremely loose monetary policy adopted by worldwide central banks during the COVID crisis and then exacerbated by the supply issues arising from the military conflict between Russia and Ukraine, persisted to undermine retail and corporate spending. However, these concerns, particularly in the US, abated by the end of the year, albeit one also must acknowledge some countries in the EU are clearly in a mild technical recession. Unfortunately, geopolitical tensions worsened during the final months of the year when a fresh military conflict broke out in the Middle East. Despite this very volatile international environment, Malta's

economy continued to grow at a sustained pace, significantly outperforming most of its EU counterparts. The resilience of the Maltese economy augurs well for the future, so much so that the European Commission is forecasting that Malta will continue to have the strongest economic growth among EU countries in 2024.

In this scenario, the Company's financial performance has remained highly resilient during 2023 as it registered record revenues and delivered excellent financial results, whilst it also continued to do its utmost to provide its customers with the best support possible. The balance sheet and liquidity of the Company remained very strong, nonetheless it should also be acknowledged that if, even though not forecasted to, the local economic conditions deteriorate, this might eventually adversely impact the Company's customers and hence the financial performance of the Company itself. The Directors and the management of the Company will hence continue to actively monitor all developments taking place both internationally and locally in an endeavour to take the immediate necessary action needed in the eventuality that any unforeseen adverse developments start impacting the Company's turnover and business activity.

### Review of business development and financial position

During 2023, the Company generated a profit before tax of EUR 5,179,231 (2022: EUR 4,644,461). Total assets as at 31 December 2023 stood at EUR 14,088,287 (2022: EUR 12,286,256) while Capital and Reserves stood at EUR 10,879,912 (2022: EUR 9,352,061). The Statement of Profit or Loss and Other Comprehensive Income is set out on page 63 and the movements in the reserves are disclosed in the Statement of Changes in Equity on page 64.

### Dividends

The Company paid total net dividends of EUR 2,000,000 (2022: 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 8,273,608 (2022: EUR 6,921,155) be carried forward to the next financial year.

## Regulatory sanctions

The Directors confirm that no regulatory breaches were reported in 2023 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:

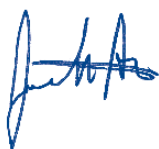
Mr Joseph Portelli (Executive Chairman);  
Prof. Joseph Falzon (Deputy Chairman);  
Mr Steven Tedesco;  
Dr Stephanie Fabri;  
Mr Maurice Gruppetta;  
Mr Michael Parnis.

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 22 April 2024 and signed on its behalf by:



**JOSEPH PORTELLI**  
Executive Chairman



**JOSEPH FALZON**  
Deputy Chairman

## Registered office

Garrison Chapel  
Castille Place  
Valletta VLT 1063  
Malta



## **DIRECTORS' RESPONSIBILITIES**





# DIRECTORS'

## RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of 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 31 December 2023

# STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 EUR	2022 EUR
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	880,138	505,873
Intangible assets	6	25,555	26,436
Financial assets at FVOCI	7	5,940,424	2,320,872
Deferred tax asset	8	71,279	51,067
Other financial assets	9	2,220,000	1,200,000
		<b>9,137,396</b>	4,104,248
<b>Current assets</b>			
Trade and other receivables	10	2,516,184	2,515,750
Cash and cash equivalents	11	2,434,707	5,666,258
		<b>4,950,891</b>	8,182,008
<b>TOTAL ASSETS</b>		<b>14,088,287</b>	12,286,256
<b>EQUITY AND LIABILITIES</b>			
<b>Capital and reserves</b>			
Share capital	12.1	2,500,000	2,500,000
Fair value reserve	12.3	65,947	(103,649)
Social responsibility fund	12.4	40,357	34,555
Retained earnings		8,273,608	6,921,155
		<b>10,879,912</b>	9,352,061
<b>Non-current liability</b>			
Lease liabilities	14	368,935	50,002
		<b>368,935</b>	50,002
<b>Current liabilities</b>			
Trade and other payables	13	2,365,505	2,525,753
Lease liabilities	14	116,454	40,193
Current tax liability		357,481	318,247
		<b>2,839,440</b>	2,884,193
<b>Total liabilities</b>		<b>3,208,375</b>	2,934,195
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>14,088,287</b>	12,286,256

The accounting policies and explanatory notes found on pages 67 to 87 form an integral part of the financial statements.

The financial statements on pages 62 to 87 have been authorised for issue by the Board of Directors on 22 April 2024 and were signed on its behalf by:



**JOSEPH PORTELLI**  
Executive Chairman



**JOSEPH FALZON**  
Deputy Chairman

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 EUR	2022 EUR
<b>Revenue</b>	15	<b>8,936,449</b>	8,337,670
Cost of revenue	16	(215,864)	(214,722)
<b>Gross profit</b>		<b>8,720,585</b>	8,122,948
Administrative expenses	16	(3,614,329)	(3,579,163)
(Increase) / reversals in impairment allowances		(153,829)	11,279
Write-off of property, plant and equipment and intangible assets		(25,866)	(6,794)
<b>Operating profit</b>		<b>4,926,561</b>	4,548,270
Rental income		39,233	31,284
Income from financial assets at FVOCI	17	200,451	33,887
Finance income	18	34,815	44,166
Finance costs	18	(21,829)	(13,146)
<b>Profit before tax</b>		<b>5,179,231</b>	4,644,461
Income tax expense	19	(1,820,976)	(1,608,875)
<b>Profit for the year</b>		<b>3,358,255</b>	3,035,586
<b>Other comprehensive income</b>			
Items that are or may be reclassified to profit or loss			
Financial assets at FVOCI:			
Net fair value gains / (losses)		169,596	(123,002)
<b>Other comprehensive net gain / (loss) for the year</b>		<b>169,596</b>	(123,002)
<b>Total comprehensive income for the year</b>		<b>3,527,851</b>	2,912,584

The accounting policies and explanatory notes found on pages 67 to 87 form an integral part of the financial statements.



# STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Notes	Issued share capital EUR	Fair value reserve EUR	Social responsibility fund EUR	Retained earnings EUR	Total EUR
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)
<b>Total comprehensive income</b>		-	(123,002)	-	3,035,586	2,912,584
Net movement for the year	12.4	-	-	(10,910)	10,910	-
<b>Transactions with owners of the Company</b>						
<b>Contributions and distributions</b>						
Dividends declared and paid	12.2	-	-	-	(3,700,000)	(3,700,000)
<b>At 31 December 2022</b>		2,500,000	(103,649)	34,555	6,921,155	9,352,061
At 1 January 2023		<b>2,500,000</b>	<b>(103,649)</b>	<b>34,555</b>	<b>6,921,155</b>	<b>9,352,061</b>
Profit for the year		-	-	-	3,358,255	3,358,255
Other comprehensive gain for the year		-	<b>169,596</b>	-	-	<b>169,596</b>
<b>Total comprehensive income</b>		-	<b>169,596</b>	-	<b>3,358,255</b>	<b>3,527,851</b>
Net movement for the year	12.4	-	-	<b>5,802</b>	<b>(5,802)</b>	-
<b>Transactions with owners of the Company</b>						
<b>Contributions and distributions</b>						
Dividends declared and paid	12.2	-	-	-	<b>(2,000,000)</b>	<b>(2,000,000)</b>
<b>At 31 December 2023</b>		<b>2,500,000</b>	<b>65,947</b>	<b>40,357</b>	<b>8,273,608</b>	<b>10,879,912</b>

The accounting policies and explanatory notes found on pages 67 to 87 form an integral part of the financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 EUR	2022 EUR
<b>Operating activities</b>			
Profit before tax		5,179,231	4,644,461
Adjustments for:			
Depreciation of property, plant and equipment	5	197,812	212,723
Amortisation of intangible assets	6	17,047	14,997
Finance income	17/18	(235,266)	(78,053)
Finance costs	18	21,829	13,146
Write offs of property, plant and equipment and intangible assets		25,866	6,794
Gain on lease modification		-	(8,704)
Write offs / (Reversal) and impairment allowances		153,829	(11,279)
		<b>5,360,348</b>	<b>4,794,085</b>
Changes in:			
Trade and other receivables		(127,262)	650,472
Trade and other payables		(160,248)	261,305
Cash generated from operating activities		<b>5,072,838</b>	<b>5,705,862</b>
Income taxes paid		(1,801,955)	(1,538,352)
<b>Net cash flows generated from operating activities</b>		<b>3,270,883</b>	<b>4,167,510</b>
<b>Investing activities</b>			
Acquisition of property, plant and equipment	5	(97,320)	(52,359)
Acquisition of intangible assets	6	(16,166)	(7,341)
Acquisition of financial assets at FVOCI		(7,424,230)	(1,529,576)
Proceeds from disposal / maturities of financial assets		3,964,429	-
Interest received		218,111	83,166
Maturity of term deposits		-	2,409,000
Placements of term deposits		(1,020,000)	-
<b>Net cash flows (used in) / from investing activities</b>		<b>(4,375,176)</b>	<b>902,890</b>
<b>Financing activities</b>			
Dividends paid		(2,000,000)	(3,700,000)
Payments of lease liabilities		(105,429)	(112,080)
Interest paid		(21,829)	(13,146)
<b>Cash flows used in financing activities</b>		<b>(2,127,258)</b>	<b>(3,825,226)</b>
Net (decrease) / increase in cash and cash equivalents		<b>(3,231,551)</b>	<b>1,245,174</b>
Cash and cash equivalents at 1 January		<b>5,666,258</b>	<b>4,421,084</b>
<b>Cash and cash equivalents at 31 December</b>	11	<b>2,434,707</b>	<b>5,666,258</b>

The accounting policies and explanatory notes found on pages 67 to 87 form an integral part of the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

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# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 1 Reporting Entity

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

The Company’s principal objective is 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.

## 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 of global economic shocks arising from the geopolitical situation and related repercussions on inflation and interest rates.

The Company remained resilient during this 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 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*.

## 3 Material Accounting Policies

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.

An entity should disclose its material accounting policies. Accounting policies are material and must be disclosed if they can be reasonably expected to influence the decisions of users of the financial statements.

Management has concluded that the disclosure of the entity’s material accounting policies below is appropriate. 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)*.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 3 Material Accounting Policies (continued)

### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 3 Material Accounting Policies *(continued)*

### 3.3 Financial instruments *(continued)*

#### 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); or
- 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 and equity investments).

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

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

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

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

- It is held within a business model whose objectives are 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 the 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 3 Material Accounting Policies (continued)

### 3.3 Financial instruments (continued)

#### 3.3.2 Classification and subsequent measurement (continued)

##### **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 Other Comprehensive Income (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.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance income, finance costs 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 trade and other payables excluding deferred income, statutory liabilities, and lease liabilities.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 3 Material Accounting Policies *(continued)*

### 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 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 includes 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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 3 Material Accounting Policies (continued)

### 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.

### 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.

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 obligation;
- Determining the transaction price;
- Allocating the transaction price to the performance obligation;
- Recognising revenue when/as the 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.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 3 Material Accounting Policies *(continued)*

### 3.8 Revenue and expenses recognition *(continued)*

#### 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.

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.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 3 Material Accounting Policies (continued)

### 3.11 Leases (continued)

#### **Company as a lessee (continued)**

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 2023**

Some accounting pronouncements which have become effective from 1 January 2023 and have therefore been adopted, do not have a significant impact on the Company's financial results or position.

Other Standards and amendments that are effective for the first time in 2023 and could be applicable to the company are:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimates (Amendments to IAS 8)
- International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

These amendments do not have a significant impact on these financial statements and therefore no 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 and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Company and no Interpretations have been issued that are applicable and need to be taken into consideration by the Company.

Other Standards and amendments that are not yet effective and have not been adopted early by the Company include:

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Lack of Exchangeability (Amendments to IAS 21)

These amendments are not expected to have a significant impact on the financial statements in the period of initial application and therefore no disclosures have been made.

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 2023

## 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
<b>Cost</b>								
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)
<b>At 31 December 2022</b>	<b>364,939</b>	<b>329,493</b>	<b>1,047,131</b>	<b>367,909</b>	<b>718,523</b>	<b>98,671</b>	<b>4,717</b>	<b>2,931,383</b>
At 1 January 2023	364,939	329,493	1,047,131	367,909	718,523	98,671	4,717	2,931,383
Additions	413,949	25,950	18,595	27,406	22,475	86,674	2,894	597,943
Write-offs	(364,939)	-	(49,706)	-	-	-	-	(414,645)
<b>At 31 December 2023</b>	<b>413,949</b>	<b>355,443</b>	<b>1,016,020</b>	<b>395,315</b>	<b>740,998</b>	<b>185,345</b>	<b>7,611</b>	<b>3,114,681</b>
<b>Accumulated depreciation</b>								
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)
<b>At 31 December 2022</b>	<b>350,352</b>	<b>194,786</b>	<b>893,744</b>	<b>320,603</b>	<b>625,480</b>	<b>40,487</b>	<b>58</b>	<b>2,425,510</b>
At 1 January 2023	350,352	194,786	893,744	320,603	625,480	40,487	58	2,425,510
Depreciation charge for the year	83,588	29,988	17,603	19,124	20,286	27,131	92	197,812
Write-offs	(364,939)	-	(23,840)	-	-	-	-	(388,779)
<b>At 31 December 2023</b>	<b>69,001</b>	<b>224,774</b>	<b>887,507</b>	<b>339,727</b>	<b>645,766</b>	<b>67,618</b>	<b>150</b>	<b>2,234,543</b>
<b>Carrying amount</b>								
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
At 1 January 2023	14,587	134,707	153,387	47,306	93,043	58,184	4,659	505,873
<b>At 31 December 2023</b>	<b>344,948</b>	<b>130,669</b>	<b>128,513</b>	<b>55,588</b>	<b>95,232</b>	<b>117,727</b>	<b>7,461</b>	<b>880,138</b>



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 6 Intangible Assets

	Computer Software EUR
<b>Cost</b>	
At 1 January 2022	924,442
Additions	7,341
Write-offs	(2,812)
At 31 December 2022	928,971
At 1 January 2023	928,971
Additions	16,166
<b>At 31 December 2023</b>	<b>945,137</b>
<b>Accumulated amortisation</b>	
At 1 January 2022	890,350
Amortisation during the year	14,997
Write-offs	(2,812)
At 31 December 2022	902,535
At 1 January 2023	902,535
Amortisation during the year	17,047
<b>At 31 December 2023</b>	<b>919,582</b>
<b>Carrying amount</b>	
At 1 January 2022	34,092
At 31 December 2022	26,436
At 1 January 2023	26,436
<b>At 31 December 2023</b>	<b>25,555</b>

## 7 Financial Assets at FVOCI

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

	2023 EUR	2022 EUR
Corporate Bonds	3,236,824	816,117
Malta Government Stocks	2,606,300	518,750
Treasury Bills	-	986,005
	<b>5,843,124</b>	<b>2,320,872</b>
Equity	<b>97,300</b>	-
	<b>97,300</b>	-
	<b>5,940,424</b>	<b>2,320,872</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 7 Financial Assets at FVOCI (continued)

b. The amortised cost of the debt securities is as follows:

	Effective interest rate %	2023 EUR	2022 EUR
Corporate Bonds	2.91 - 8.40	3,249,010	919,971
Malta Government Stocks	3.24 - 4.00	2,528,167	518,545
Treasury Bills		-	986,005
		<b>5,777,177</b>	<b>2,424,521</b>

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

	2023 EUR	2022 EUR
Corporate Bonds	(12,186)	(103,854)
Malta Government Stocks	78,133	205
	<b>65,947</b>	<b>(103,649)</b>

d. During the year, the Exchange invested in 139 shares in EuroCTP B.V., representing 1.39% of the total issued shares. This investment has been undertaken jointly with other exchanges across Europe, for the purpose of participating in EU tenders for the selection of a centralised European provider of a consolidated tape for equities and ETFs (the CTP), and contingent upon the outcome of the tender, to operate the CTP in accordance with applicable regulations. This investment is accounted for at cost.

## 8 Deferred Tax Asset

### 8.1 Recognised deferred tax asset

Deferred tax asset is attributable to the following:

	2023 EUR	2022 EUR
Plant and equipment	(19,814)	4,090
Accrued investment income	(10,867)	(1,143)
Impairment allowances	101,960	48,120
	<b>71,279</b>	<b>51,067</b>

### 8.2 Movement in temporary differences during the year

	Balance 01/01/2022 EUR	Recognised in profit or loss EUR	Balance 31/12/2022 EUR	Recognised in profit or loss EUR	Balance 31/12/2023 EUR
Plant and equipment	16,607	(12,517)	4,090	(23,904)	(19,814)
Accrued investment income	(1,864)	721	(1,143)	(9,724)	(10,867)
Impairment allowances	52,067	(3,947)	48,120	53,840	101,960
	66,810	(15,743)	51,067	20,212	71,279

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 9 Other Financial Assets

	2023 EUR	2022 EUR
<b>Non-current assets:</b>		
Term deposits with remaining maturities of more than one year	2,220,000	1,200,000

Term deposits earn interest at a weighted average interest rate of 3.41% (2022: 1.37%) per annum.

EUR 2,000,000 out of the total term deposits have been pledged against an overdraft facility which has not been utilised during the year.

## 10 Trade and Other Receivables

	2023 EUR	2022 EUR
Fees receivable net of impairment allowances (note 10.1)	2,301,901	2,294,171
Amounts due from related parties (note 10.2)	4,357	4,068
Prepayments and accrued income	204,551	212,136
Other receivables	5,375	5,375
	<b>2,516,184</b>	<b>2,515,750</b>

Information about the Company's exposure to credit risk and impairment losses on trade receivables is included in note 22.1.

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

	Total EUR	Neither Past due nor impaired EUR	>30 days EUR	Past due but not impaired	
				60-90 days EUR	90 days and older EUR
<b>2023</b>	<b>2,301,901</b>	<b>2,013,464</b>	<b>204,886</b>	<b>76,065</b>	<b>7,486</b>
2022	2,294,171	1,673,555	85,305	94,428	440,883

Fees receivable, which are neither past due nor impaired, include trade receivables due from the Government of Malta, a related party, of EUR 479,939 (2022: EUR 434,437).

As at the reporting date, the Company had impairment allowances amounting to EUR 291,309 (2022: EUR 137,479). Post COVID-19 pandemic, the Company revised its credit period back to 60 days as from October 2022. This improved the ageing of the Company's debtors 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 2023 comprises EUR 2,181 (2022: EUR 4,068) due from Malta Stock Exchange Institute Limited and EUR 2,176 (2022: Nil) due from MSX PLC.

## 11 Cash and Cash Equivalents

	2023 EUR	2022 EUR
Cash at banks	2,434,123	5,665,307
Cash in hand	584	951
Cash and cash equivalents as shown in the Statement of Financial Position	<b>2,434,707</b>	<b>5,666,258</b>
Cash and cash equivalents as shown in the Statement of Cash Flows	<b>2,434,707</b>	<b>5,666,258</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 12 Capital and Reserves

12.1 Share Capital	2023 EUR	2022 EUR
<b>Authorised</b>		
5,000,000 ordinary shares of EUR 1 each	5,000,000	5,000,000
<b>Issued and fully paid up</b>		
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	2023 EUR	2022 EUR
Declared and paid during the year:		
Dividend on ordinary shares for 2023: EUR 0.80 (2022: EUR 1.48)	2,000,000	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 25,187 (2022: EUR 22,767) 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 19,385 (2022: EUR 33,677).

## 13 Trade and Other Payables

	2023 EUR	2022 EUR
Trade payables (note 13.1)	57,295	59,967
Amounts due to related parties (note 13.2)	-	200,809
Deferred income	1,686,598	1,680,187
Accruals and other payables	236,914	219,176
Other taxes	384,698	365,614
	<b>2,365,505</b>	<b>2,525,753</b>

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

13.2 Amounts due to related parties are unsecured, non-interest bearing and repayable on demand. During the previous year, these amounts included EUR 192,924 due to MSE (Holdings) Ltd and EUR 7,885 due to MSX plc.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 14 Leases

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

	2023 EUR	2022 EUR
Non-current	368,935	50,002
Current	116,454	40,193
	<b>485,389</b>	<b>90,195</b>

14.2 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 (2022: EUR 90,000).

Additionally, the Company leases five 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.

14.3 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	5
Range of remaining term (years)	4.2	1.5 – 5
Average remaining lease term (years)	4.2	3.2

14.4 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
<b>2023</b>				
Lease payments	136,145	391,897	-	528,042
Finance charges	(19,691)	(22,962)	-	(42,653)
Net present values	<b>116,454</b>	<b>368,935</b>	-	<b>485,389</b>
<b>2022</b>				
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

Finance charges recognised by the Company during the year amounted to EUR 21,829 (2022: EUR 13,146).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 14 Leases (continued)

14.5 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 7,497 (2022: EUR 12,830). These short-term leases are included as part of administrative expenses in the Statement of Profit or Loss and Other Comprehensive Income.

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

	Carrying amount (note 5) EUR	Depreciation expense (note 5) EUR	Impairment EUR
<b>2023</b>			
Land and buildings	344,948	83,588	-
Motor vehicles	117,727	27,131	-
<b>2022</b>			
Land and buildings	14,587	106,146	-
Motor vehicles	58,184	17,985	-

## 15 Revenue

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

	2023 EUR	2022 EUR
Listing fees	6,312,009	5,835,202
Register fees	1,491,357	1,352,691
Turnover fees	161,503	188,896
Stockbrokers' fees	36,061	38,255
Other fees	935,519	922,626
	<b>8,936,449</b>	<b>8,337,670</b>

## 16 Cost of Revenue and Administrative Expenses

	2023 EUR	2022 EUR
<i>Cost of revenue</i>		
Variable trading fees	215,864	214,722
<i>Administrative expenses</i>		
Emoluments of the Chairman and other board members	25,000	23,200
Salaries, social security and other staff costs (note 16.1)	2,056,599	1,920,676
Rent	5,849	5,433
Auditor's remuneration	8,000	8,000
Depreciation of property, plant and equipment	197,812	212,723
Amortisation of intangible assets	17,047	14,997
Other expenses	1,304,022	1,394,134
	<b>3,614,329</b>	<b>3,579,163</b>

Other expenses include other non-audit services payable to the Company's auditors amounting to EUR 9,400 excluding VAT (2022: EUR 750).

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 16 Cost of Revenue and Administrative Expenses (continued)

### 16.1 Employee information

#### 16.1.1 Salaries, social security and other staff costs

	2023 EUR	2022 EUR
Wages and salaries	1,916,130	1,784,776
Social security costs	121,551	117,463
Other staff costs	18,918	18,437
	<b>2,056,599</b>	<b>1,920,676</b>

#### 16.1.2 Staff numbers

The average number of persons employed by the Company during the year was 47 (2022: 47).

#### 16.1.3 Death in service costs

During the previous year, included in other expenses was 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.

## 17 Income From Financial Assets at FVOCI

	2023 EUR	2022 EUR
Interest on financial assets at FVOCI	200,943	33,887
Loss on sale of financial assets at FVOCI	(492)	-
	<b>200,451</b>	<b>33,887</b>

## 18 Net Finance Income

	2023 EUR	2022 EUR
<b>Finance income</b>		
Interest on bank balances	34,815	44,166
<b>Finance costs</b>		
Interest on lease liabilities	(21,829)	(13,146)
<b>Net finance income</b>	<b>12,986</b>	<b>31,020</b>

## 19 Income Tax Expense

### 19.1

	2023 EUR	2022 EUR
Current tax expense	1,841,188	1,593,132
Deferred tax expense (note 8.2)	(20,212)	15,743
<b>Income tax expense</b>	<b>1,820,976</b>	<b>1,608,875</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 19 Income Tax Expense (continued)

### 19.2 Reconciliation of effective tax rate

	2023 EUR	2022 EUR
Profit before tax	5,179,231	4,644,461
Tax at 35%	1,812,731	1,625,561
Adjustments for the tax effect of		
- amortisation of financial assets at FVOCI	3,274	235
- expenses not deductible for tax purposes	58,334	66,920
- expenses deductible for tax purposes	(34,246)	(37,224)
- income subject to lower rates of tax	(43,839)	(15,744)
- current tax adjustment in respect of prior years	(509)	(30,873)
- deferred tax not previously recognised	25,231	-
Income tax expense	1,820,976	1,608,875

## 20 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.

## 21 Related Party Transactions and Balances

The related parties of the Company with which the Company had balances outstanding as of 31 December 2023 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)

### 21.1 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:

		2023 EUR	2022 EUR
<i>Revenue</i>	<i>Related Party</i>		
Listing fees	Government of Malta	3,286,450	2,981,350
Register fees	Government of Malta	512,270	425,636
Amendments	Government of Malta	28,593	25,619
Registrar fees	Government of Malta	166,553	87,715
Recharged expenses	Malta Stock Exchange Institute	36,725	39,333
Recharged expenses	MSX PLC	10,061	4,251
Dividends paid	MSE (Holdings) Ltd	1,999,999	3,699,999



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 21 Related Party Transactions and Balances *(continued)*

### 21.1 Related party transactions *(continued)*

Included in administrative expenses are salaries paid to the chairman and board members amounting to EUR 25,000 (2022: EUR 23,200).

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 14.

### 21.2 Related party balances

The outstanding amounts at year end together with the related terms have been separately disclosed in notes 10 and 13.

## 22 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 22.5 for a summary of the Company's financial assets and financial liabilities by category.

### 22.1 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 debt securities 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	2023 EUR	2022 EUR
Classes of financial assets – carrying amounts:			
Debt investments at FVOCI	7a	5,843,124	2,320,872
Financial assets at amortised cost:			
Other financial assets	9	2,220,000	1,200,000
Trade and other receivables	10	2,311,633	2,303,614
Cash and cash equivalents	11	2,434,123	5,665,307
		<b>12,808,880</b>	11,489,793

The credit risk relating to debt securities 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.

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 291,308 (2022: EUR 137,479).

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 2023, a Historical Default Rate (HDR) of 5.08% (2022: 4.02%) was calculated, which rate is based on actual credit loss experience over the past five years.

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

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 22 Financial Risk Management Objectives And Policies *(continued)*

### 22.1 Credit risk *(continued)*

To arrive at the FLDR, the Yield to Maturity (YTM) of corporate bonds (which incorporates several risk components including country risk, industry risk, risk free rate, company specific risk and time specific risk) and the YTM of Malta Government Stocks (MGS) (which incorporates the country risk as well as the risk free rate) were calculated. The YTM of corporate bonds over a 12-month period (December 2023 versus December 2022), 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 2023. The market average ECL rate stood at 8.57% (2022: 1.44%). 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 479,939 (2022: EUR 434,437) owed by the Government of Malta representing 21% (2022: 19%) of the Company's total fees receivables. The Government of Malta generated EUR 3,993,866 (2022: EUR 3,520,320), representing 45% (2022: 42%), of the Company's total revenue.

### 22.2 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.

#### 22.2.1 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 58 thousand (2022: EUR 23 thousand). This analysis assumes that all other variables remain constant.

#### 22.2.2 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 although it holds an equity investment, this investment is not traded and is accounted for at cost.

### 22.3 Liquidity risk

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

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

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

	Current	Non-current		Total
	Not later than one year EUR	Later than one year but not later than five years EUR	Later than five years EUR	EUR
<b>At 31 December 2023</b>				
Lease liabilities	136,145	391,897	-	528,042
Other payables	245,144	-	-	245,144
	<b>381,289</b>	<b>391,897</b>	-	<b>773,186</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 22 Financial Risk Management Objectives And Policies (continued)

### 22.3 Liquidity risk (continued)

	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		
<b>At 31 December 2022</b>					
Lease liabilities	49,317	59,344	-		108,661
Other payables	432,712	-	-		432,712
Bank borrowings	-	-	-		-
	482,029	59,344	-		541,373

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

### 22.4 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.

### 22.5 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	2023 EUR	2022 EUR
<b>Non-current assets</b>			
Financial assets at FVOCI	7a	5,940,424	2,320,872
Financial assets at amortised cost:			
Other financial assets	9	2,220,000	1,200,000
		8,160,424	3,520,872
<b>Current assets</b>			
Financial assets at amortised cost:			
Trade and other receivables	10	2,311,633	2,303,614
Cash and cash equivalents	11	2,434,707	5,666,258
		4,746,340	7,969,872
<b>Non-current liability</b>			
Financial liability at amortised cost:			
Lease liabilities	14	368,935	50,002
		368,935	50,002
<b>Current liabilities</b>			
Financial liabilities at amortised cost:			
Trade and other payables	13	245,144	432,712
Lease liabilities	14	116,454	40,193
		361,598	472,905

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

## 22 Financial Risk Management Objectives And Policies *(continued)*

### 22.6 Capital Management

Capital includes share capital and reserves. The fair value reserve comprises net gains / losses 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.

## 23 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 62 to 87 which comprise the statement of financial position as at 31 December 2023, 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 2023, and the notes to the financial statements, including material accounting policies information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, 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; or
- 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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22 April 2024





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