



CAYMAN ISLANDS
STOCK EXCHANGE

**Report
For The Fiscal Year Ending 31 December
2021**

THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

Objectives

- to list securities on the Exchange and to appoint Listing Agents.
- to regulate listed issuers and broker members through the establishment and monitoring of Listing Rules and Membership Rules.
- to promote listing, membership, and use of the Exchange.
- to operate the Exchange for the trading of securities, including the operation of an electronic trading platform and related trading and clearance tracking processes and the operation of a crossing market.
- to admit persons (brokers) as Exchange members.



CSX Council Members

Anthony B. Travers, OBE

Chairman

Roisin Addlestone

Vice-Chairman

Dax Basdeo

Council Member

Sophia Dilbert

Council Member

Mark Lewis

Council Member

Barry Smith

Council Member

Nick Freeland

Council Member

Marco S. Archer

Chief Executive Officer

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Broker Members

Butterfield Bank (Cayman) Ltd.

Cayman National Securities Ltd.

FirstCaribbean International Bank and Trust Company (Cayman) Limited

VBK Bank & Trust, Ltd.

Listing Agents

Appleby (Cayman) Ltd.

Bedell Cristin Cayman Partnership

Campbells

Carey Olsen

Collas Crill

Conyers Dill & Pearman

Harneys

Maples and Calder (Cayman) LLP

Mourant Governance Services (Cayman) Limited

Ocorian Trust (Cayman) Limited

Ogier

Stuarts Walker Hersant Humphries

Travers Thorp Alberga

Walkers

An issuer may appoint an entity who is acceptable to the Exchange as their agent to the Exchange for the purpose of the listing ("Listing Agent"). A Listing Agent acts as an intermediary between the issuer and the Exchange and is responsible for preparing and filing the application documents for listing and ensures ongoing compliance with the Listing Rules. In addition, two authorised representatives must be nominated by an issuer as the principal channel of communication with the Exchange on an ongoing basis.

CSX Milestones

1997 - CSX officially opens
2001 – ISG membership
2002 - 5th anniversary - 700 listings
2003 - Affiliate member of IOSCO
2004 - UK HMRC recognition
2006 - CSX joins AIMA
2008 – first Shariah compliant listing
2009 - 3,000 + listings
2011 – first LatAm eurobond and mineral company equity listings
2012 – US\$10 billion ‘cat bond’ listings
2012 – CSX announces ability to trade catastrophe bonds
2013 – CSX progresses to affiliate membership of WFE (World Federation of Exchanges)
2013 – CSX launches XETRA trading platform
2015 – 4,000 + listings
2016 – 20th anniversary
2016/17 – introduction of new product listing rules for debt and equity securities of “Specialist Companies” and a significant increase of the number of new listing applications and the market capitalisation from USD198 billion to over USD241 billion
2018 – Market capitalization exceeded USD310 billion
2019 – Market capitalization exceeded USD428 billion and CSX relocated to Cricket Square
2020 – CSX launches its own order driven trading platform to replace Xetra, market capitalization reached US\$459 billion, and CSX successfully operated remotely during Covid-19 lockdown for six months.
2021 – CSX had a record year for new listings - market capitalization exceeded USD800 billion.

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Profile

The foundation for the establishment of the Cayman Islands Stock Exchange (the “CSX” or “Exchange”) was laid 26 years ago with the passing of the Cayman Islands Stock Exchange Law. Since then the CSX has grown rapidly to become one of the leading offshore exchanges with a listed market value as at 31 December 2021 of approximately US\$807 billion, providing a facility for the listing and trading of equity and debt securities in the Cayman Islands. The CSX provides a primary listing and trading facility for equities, investment funds, exchange traded funds (ETFs), and corporate and specialist debt securities (such as asset backed securities, credit linked securities, insurance linked securities and loan participating notes). The CSX also provides a secondary listing facility and an offshore trading venue for securities listed and traded on another recognised stock

exchange. The CSX provides a thoroughly regulated, convenient, and cost-effective listing venue for securities. A CSX listing may provide a variety of benefits for issuers, such as fast and efficient listing services from an experienced and highly qualified team, competitive pricing versus other exchanges, potential cost savings by utilising existing documentation to form the listing document, and being outside of EU Directives, a less onerous regulatory burden.

The CSX is a private limited company wholly owned by the Cayman Islands Government. As at 31 December 2021, the CSX had registered fourteen listing agents, four broker members, and admitted to its Daily Official List from inception over 7,233 securities. The Official List is available for inspection at www.csx.ky



Major Activities

The principal activities of the Exchange during the year continued to be the provision of listing, trading, and CUSIP/ISIN facilities in the Cayman Islands.

Listing Activities

The Exchange offers a unique and convenient listing service in the EST time zone and has become the specialist exchange of choice for a growing number of international Issuers. While entities incorporated in the Cayman Islands and the United States of America comprise a significant proportion of listed securities, many other jurisdictions are represented.

The CSX offers a personalised approach to listing applications within a highly regulated and innovative marketplace with the following advantages:

- fast and efficient listing services from an experienced and highly qualified team that understands the complexities of specialist issuances and is dedicated to meeting issuer's timelines.
- responsive and approachable Listing Committee which is available daily to consider approving securities for admission to the Official List of the CSX.
- "Recognised Stock Exchange" status from the HM Revenue & Customs (designated as such under section 1005 Income Tax Act 2007 (UK) making debt securities eligible for the Quoted Eurobond Exemption).
- competitive pricing.
- existing documentation (for example, prospectus, offer memorandum, scheme particulars, pricing supplements) may be utilised to form the listing document, furthering the potential to save on costs.
- the Listing Rules are easy to understand, meet international standards and are based on IOSCO standards which are generally regarded as international best practice.
- an issuer may not be required to appoint a listing agent depending on the type of listing (applicable to specialist and corporate debt securities only).
- the CSX operates outside the European Union (EU) and EU Directives do not apply, therefore the regulatory burden is less onerous than listing on other major exchanges domiciled in the EU.

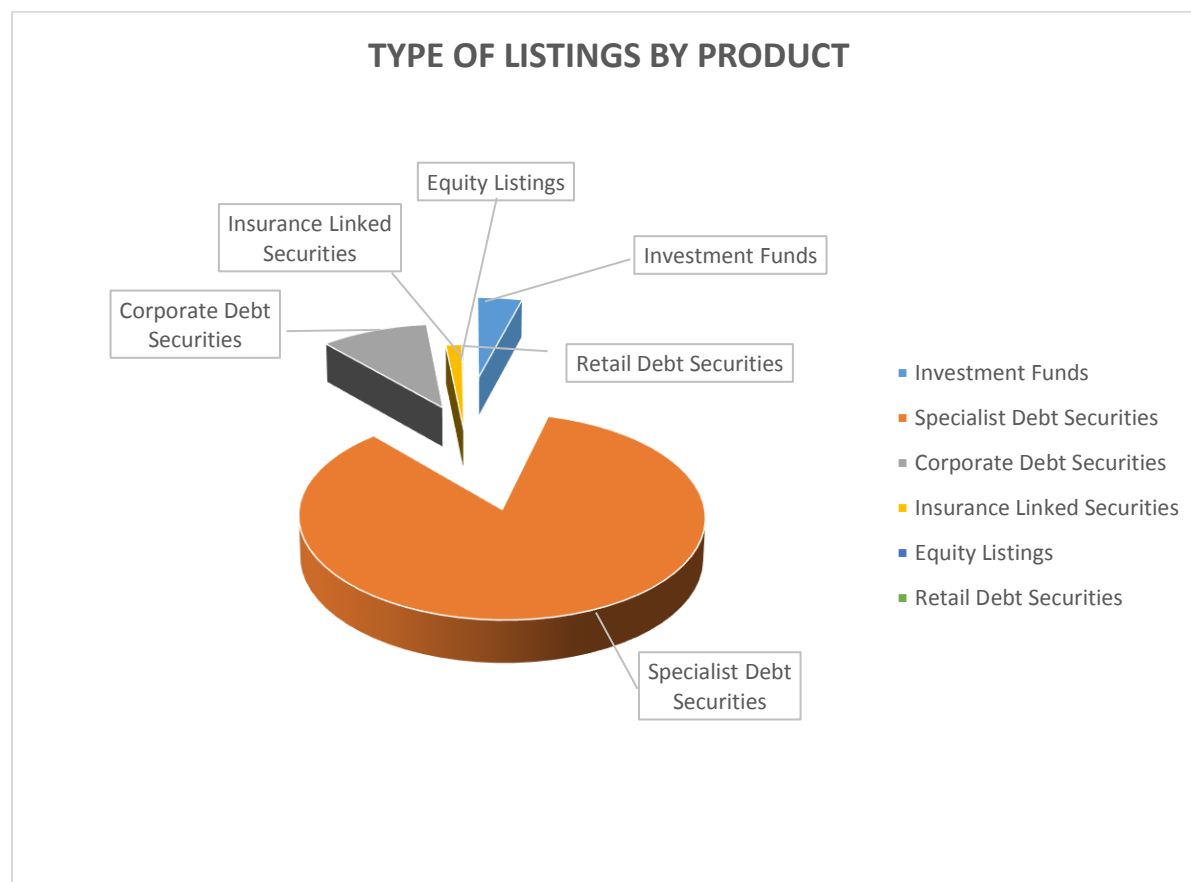
As part of its listing function the Exchange examines suitability and eligibility of issuers applying to have their securities admitted to its official list. Applications that meet the requirements of the CSX's Listing Rules are approved before the securities are admitted to listing and trading. An issuer, its listing agent or its professional advisers may approach the Exchange to discuss the suitability of the listing proposals prior to making any formal application.

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Listings of debt securities issued by special purpose vehicles have increased dramatically over the last few years with 2021 being a record year for the CSX.

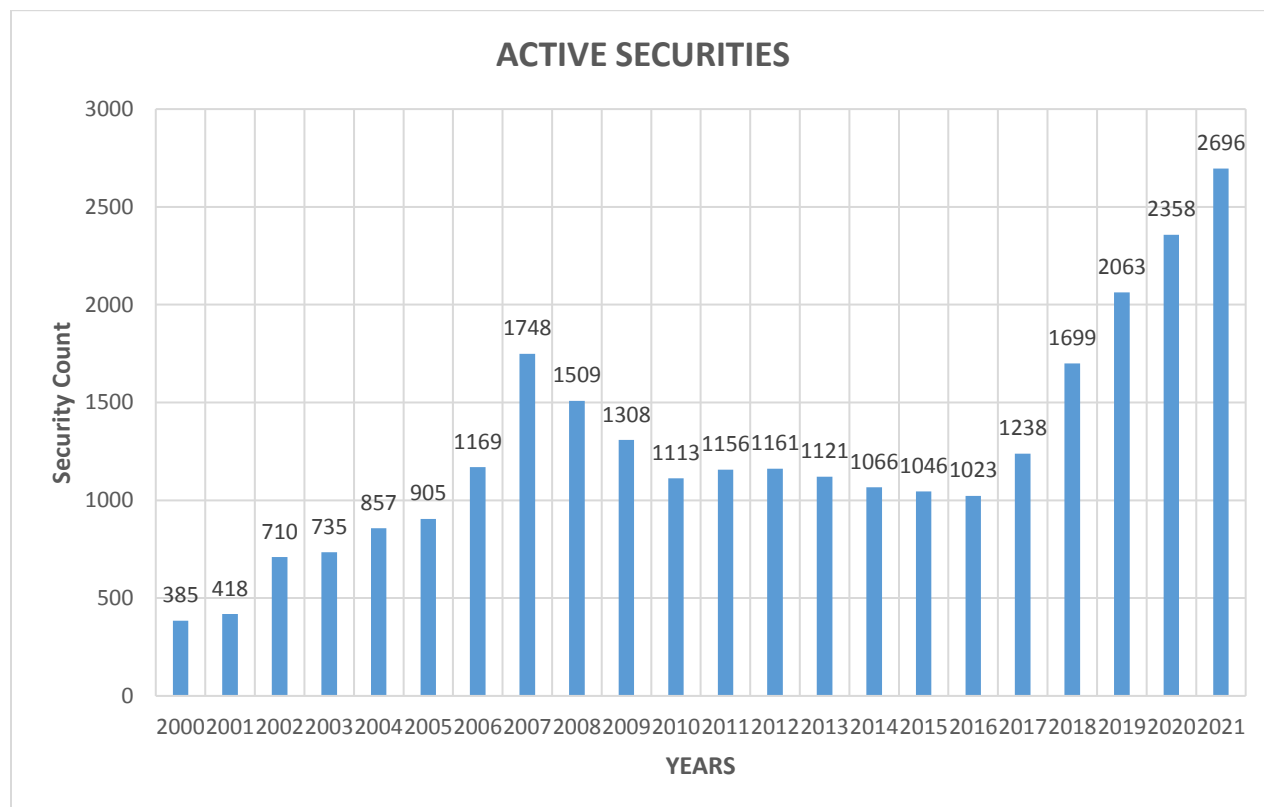
The Exchange continued to grow its market share in listing of collateralised loan obligation issuers (“CLOs”) in 2021 with 520 CLOs listed. This is the highest annual total of new CLOs listings since the inception of the Exchange, significantly more than the 278 in 2020 and 290 in 2019.

The following chart shows the breakdown of listings by product as of 31 December 2021:



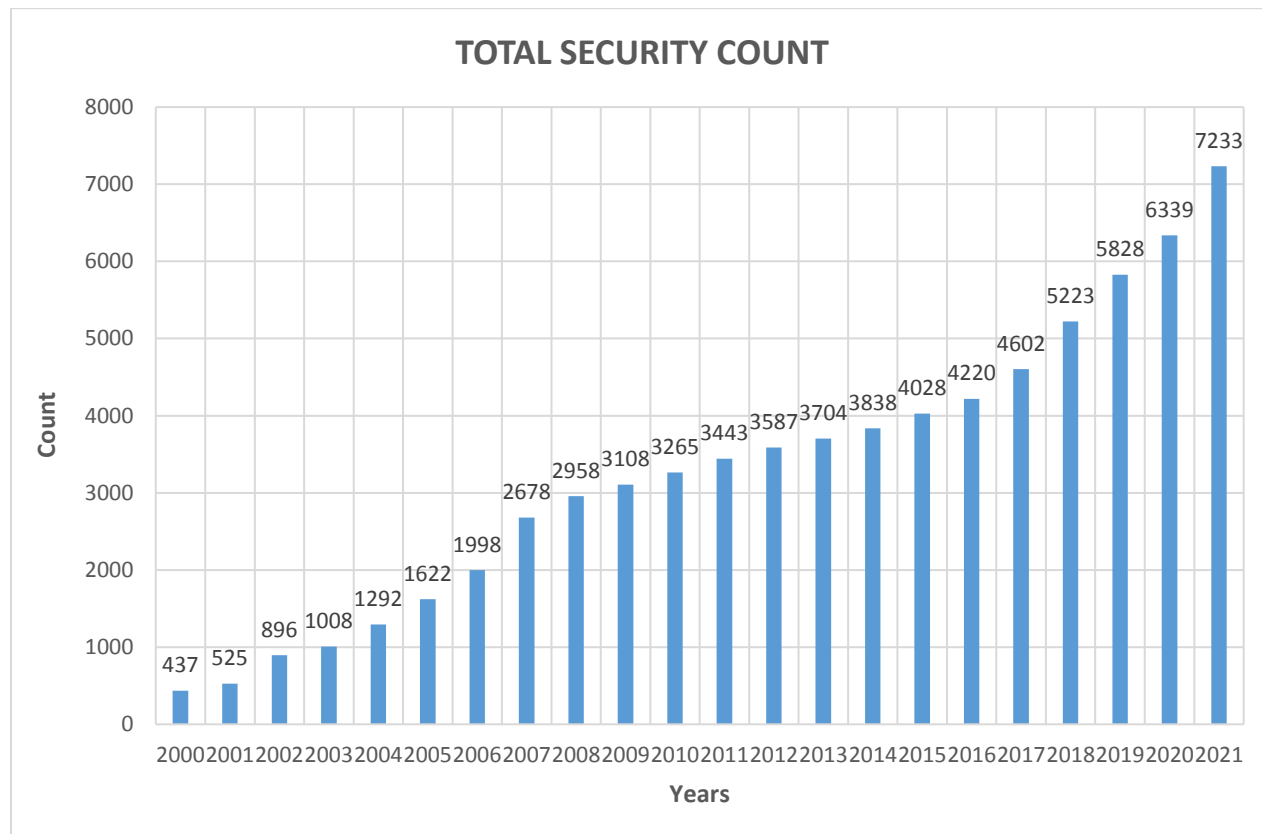
In 2021, the Exchange continued to build on recent success to record very strong business flows and increased profits principally driven by the continued growth in new listings. The number of financial instruments admitted to the Daily Official List of the Exchange increased by 894 new securities, taking the number of active listed securities on the Daily Official List of the Exchange to 2,696, an increase of 14.3% over 2020's listings.

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However, without factoring in the number of matured and delisted securities, the total number of securities admitted since inception of the Exchange was 7,233 at the end of 2021, an increase of 14.1% compared to the previous year.

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The continued growth in the number of new listings on the Exchange reflects the increasing recognition from issuers and their advisers that the CSX provides a thoroughly regulated, convenient, and cost-effective listing venue for their securities. While the Covid-19 pandemic may have disrupted or slowed some market activity, it has also generated other new listings as companies continue to refinance in the face of the changing economic conditions.

The Exchange continued to review its fee structure and listing rules to identify appropriate policies that may be introduced to enhance competitiveness and efficiency, in line with international best practices and standards. Unlike the larger listing exchanges, the CSX has a small trading business and is in essence a listing venue: companies list bond and specialist vehicles on the CSX to fulfil legal and regulatory obligations rather than specifically to raise capital.

A great majority of the securities listed on the CSX are bonds issued by special purpose vehicles (SPV) and are typically listed for one or more of the following reasons: (i) to benefit from the Quoted Eurobond Exemption; (ii) to avoid the onerous obligations set by the EU, such as the Market Abuse Regulation; and (iii) to ensure eligibility for inclusion in mutual funds' investments.

Taking a more commercial approach, the CSX's position is more flexible than other exchanges and recognises that specialist debt securities issued by SPVs/holding companies tend to be purchased and traded by only a limited number of sophisticated or institutional investors. As a

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result, the CSX listed 894 new securities during 2021 (of which there were a total of 611 new issuances listed and an additional 280 further issues to existing listings) surpassing its previous record of 627 set in 2018. The new listing record represents a 76% increase on the 505 securities listed during 2020, taking the total number of active listings on the CSX to 2,696 at the end of 2021, an increase of 14% year-on-year with market capitalization reaching USD807,235,057,165.

There were 882 securitisation bonds newly listed during 2021, which is more than double the number listed in 2020. Securitisation listings included prominent deals from major international banks backed by a range of asset classes including aircraft financings, auto loans, credit card receivables, loans to SMEs, as well as residential and commercial mortgage-backed securities.

In the same period, the CSX also further cemented its position as the leading venue for listing CLOs. With a significant amount of CLO refinancing and reset activity, there were 520 CLO securities listed on CSX last year, taking the total number of CLOs listed on the CSX to 1,301 securities at the end of December.

Overall, in 2021, the Cayman Islands vehicles remained the largest single source of new business for CSX. However, more than 30% of all issuers listing securities on CSX last year were domiciled in either United States, Ireland or Luxembourg.

While equity listings continue to grow, they account for only a small part of the overall listings. The CSX hopes to improve on this by encouraging local equities to list. A thriving capital market is of great importance in helping the local economy of small, developing countries. A listing provides an alternative source of capital for businesses, reducing the need for, but also complementing, traditional bank financing for entrepreneurial investment and creating better opportunities for investors to increase household wealth in the long-term, including reducing the increasingly unsustainable burden of future pension provision. Thriving capital markets also help to increase the sources of funding available to entities seeking to further innovate and grow or expand through acquisitions. To this end, the CSX has held several meetings with local proprietors to inform them of the benefits of listing on the CSX and will continue this initiative in 2022.

The CSX also took another step forward in 2021 with respect to recognising other stock exchanges. While it has for a long time recognised the major exchanges operating in other financial centres globally, after the necessary vetting process the CSX and the Jamaica Stock Exchange (JSE) agreed to the mutual recognition of each exchange in July 2021, thereby enabling the dual listing of securities on each exchange and making it easier for issuers, investors, and other market participants to access each exchange for listings and other services.

The Covid-19 Pandemic

Like many others in the Cayman Islands and throughout the world, normal operations at the CSX were affected, although minimally, by the arrival of the Covid-19 pandemic. Recognising that a pandemic-induced lockdown would require the CSX to operate remotely, an early decision was

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taken to procure all necessary equipment for staff to ensure that the delivery of services to clients, locally and internationally, would continue without interruption. As a result, the staff were able to work remotely from home, without incident, for approximately five months, returning to the office in early August 2020.

Despite not affecting the day-to-day operations of the CSX, the pandemic did affect plans to market the CSX internationally. The CSX was able to attend and exhibit at one event in 2020, the Structured Finance Industry Group asset-backed securities conference in Las Vegas in February 2020. However, due to social distancing requirements and the lack of air-transport, attending marketing meetings and other conferences was no longer possible in the remainder of 2020 or 2021.

Transparency and Oversight

Following admission to the official list, issuers must comply with certain published continuing obligations. The continuing obligations are intended to ensure that all market users have simultaneous access to the same information and to maintain an orderly market in the listed securities. In the case of a primary listing on the CSX, Chapters 6, 8, and 9 to 13 of the Listing Rules, each dealing with specific types of listed security (equity, investments funds, depositary receipts, derivative warrants, specialist and corporate and sovereign debt and retail debt securities), provide for continuing obligations which the relevant issuer is required to observe, including a Model Code for securities transactions by directors of listed companies.

Such obligations include clearance from the Exchange prior to taking certain actions, notification of changes to the listed securities and the communication and disclosure of information in certain circumstances. If an issuer fails to comply with such obligations, the Exchange may take enforcement actions (for example de-listing).

The Exchange continues to monitor issuers' compliance with these continuing obligations as set out in its Listing Rules and advising issuers on any post listing matters. Therefore, ongoing listing requirements serve to enhance investor confidence.

International Relations and Marketing

The Exchange maintains a level of membership with several organisations that set international standards, including the International Organisation of Securities Commissions (IOSCO), the Quoted Companies Alliance, The Alternative Investment Management Association (AIMA), and the Intermarket Surveillance Group (ISG).

As noted above, due to Covid-19 travel restrictions, the CSX was unable to attend and exhibit at any event in 2021.

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The CSX intends to continue building on its leading position as an offshore exchange by traveling to Asia, Europe, and USA to increase its presence at conferences as well as hold a number of marketing meetings with professional services advisers to establish and strengthen valuable relationships and secure additional listings for the Exchange.

Building a long-lasting relationship with the CSX Listing Agents and Onshore Service Providers

The Covid-19 pandemic-induced restrictions also prevented the Exchange from visiting Listing Agents locally to provide practical information concerning amendments to and interpretation of listing rules and the continuing obligations of issuers post-listing on the Exchange. The CSX plans to resume these presentations in 2022 in order to give Listing Agents an opportunity to discuss key topics and for the Exchange to receive valuable feedback.

Trading and NAV Reporting Activities

All equity trades in 2021 were supported by the CSX's own order driven trading platform. Access to the CSX trading platform requires a standard web browser and trading is continuous from 9:00 a.m. to 4:30 p.m. Monday to Friday. The currency of each listed security is designated as the trading currency of such security and, for the time being, the Exchange does not charge trading fees for executed trades.

Broker members and their registered representatives duly admitted to the Exchange were able to access the new trading platform and use the trading facilities. However, there were no new broker members admitted during 2021.

Net Asset Valuations ("NAVs") are received and validated prior to publication on the CSX's website. Historic NAVs are captured and can be accessed by the public on the Exchange's website. The Exchange monitors electronically any significant variations in NAVs or volumes and takes any necessary action.

Administrators are authorised to post NAVs directly onto the CSX via a secure internet page. Once the information is inputted by a fund administrator, the prices are immediately published on the mutual fund listings page on the Exchange's internet web site and are sent to Bloomberg for posting to its information pages.

NAV information was published and disseminated to the public in the local press weekly until the pandemic-induced lockdown, and has not resumed. However, investors can easily access published data via the CSX's website.

CUSIP Numbering Agency

The Exchange is acting as Standard & Poor's' sole agent for CUSIP, a company that issues International Securities Identification Numbers ("ISINs") for Cayman Islands and British Virgin Islands incorporated entities. CUSIP revenue of \$949,880 decreased by 12.9% in 2021 when

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compared to 2020 because of reduced demand by Goldman Sachs for bulk purchases of ISINs when issuing large quantities of securities.

Human Resources

There were no personnel changes in 2021 and as at 31 December 2021, key management personnel consisted of the Chief Executive Officer, Head of Listing, Operations & Finance Manager, and the Head of Information Technology and Trading Systems, which remained unchanged from 2020. The Exchange will continue its efforts to attract and recruit qualified and experienced employees. In particular, the CSX is seeking a Deputy Head of Listings and also a Compliance and Continuing Obligations Manager.

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Financial Report

Financial Highlights

The main financial highlights for the year ended 31 December 2021 ("2021") are set out below for comparison with actual results for the year ended 31 December 2020 ("2020"):

	2020 Actual	2021 Actual	2021 Budget	2021 Variance Actual/Budget
	CI\$	CI\$	CI\$	%
Total Revenue	3,931,130	4,597,751	2,917,088	58%
Operating Expenses	1,805,452	2,124,322	1,675,755	27%
Net Income	2,125,678	2,473,429	1,241,333	99%
Total Assets	7,979,703	9,836,305	5,776,398	70%
Total Liabilities	3,442,396	4,062,283	727,732	458%
Total Shareholder's Equity	4,537,307	5,774,022	5,048,666	14%
Net Cash from Operating	2,779,344	3,107,651	1,602,946	94%
Cash at End of Year	6,426,893	8,410,338	5,145,633	63%
Current Assets : Current Liabilities	4.27	4.96	18.91	
Total Assets : Total Liabilities	2.32	2.42	7.42	

Total revenue for 2021 was CI\$4.6 million compared to CI\$3.9 million for 2020, an increase of 17%.

Operating expenses for 2021 totalled CI\$2.1 million (compared to CI\$1.8 million in 2020), an increase of 18%.

Net income for 2021 was CI\$2,473,429 compared to \$2,125,678 for 2020, an increase of 16%.

In accordance with the Cayman Islands Government's dividend calculation formula, a dividend of CI\$1,062,839 relating to 2020 was paid to the sole shareholder of the Exchange in June 2021.

Total assets were CI\$9,836,305 in 2021 compared to CI\$7,979,703 in 2020, an increase of 23%.

Total liabilities were CI\$4,062,283 in 2021 compared to CI\$3,442,396, an increase of 18%.

Total Shareholder's Equity increased to CI\$5,774,022 from CI\$4,537,307 in 2020, an increase of 27%.

Net Cash from Operating Activities were CI\$3,107,651 compared to CI\$2,779,344 in 2020, an increase of 12%.

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Cash at end of year was CI\$8,410,338 compared to CI\$6,426,893 in 2020, an increase of 31%.

Total revenue earned was CI\$4.6 million, 58% greater than the CI\$2.9 million budgeted for the 2021 fiscal year. Operating expenses of CI\$2.1 million was 27% greater than the CI\$1.7 million budgeted for 2021.

Total assets performed 70% better than expected with a CI\$4.1 million increase over budget, driven by CI\$3.3 million more in cash balances than expected due to increased demand for listing.

Liabilities were also CI\$3.3 million higher than budgeted for 2021 due mainly to the introduction of IFRS 15, IFRS 16, and the accrual of a dividend for the 2021 fiscal year.