



CAYMAN ISLANDS  

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**STOCK EXCHANGE**

**Report**  
**For The Fiscal Year Ending 31 December**  
**2024**

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

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## 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

**Nick Freeland**  
Vice-Chairman

**Barry Smith**  
Council Member

**Sophia Dilbert**  
Council Member

**Mark Lewis**  
Council Member

**Tracey Forbes**  
Council Member

**Dax Basdeo**  
Council Member

**Marco S. Archer**  
Chief Executive Officer

## Broker Members

Butterfield Bank (Cayman) Ltd.

Cayman National Securities Ltd.

FirstCaribbean International Bank and Trust Company (Cayman) Limited

VBT Bank & Trust, Ltd.

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## Listing Agents

Appleby (Cayman) Ltd.

Bedell Cristin Cayman Partnership

Campbells

Carey Olsen

Collas Crill

Conyers Dill & Pearman

Dentons

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 - 5<sup>th</sup> anniversary - 700 listings
- 2003 - Affiliate member of the International Organization of Securities Commissions (IOSCO)
- 2004 - UK HMRC recognition
- 2006 - CSX joins the Alternative Investment Management Association (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 – 20<sup>th</sup> 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 for six months during the Covid-19 lockdown
- 2021 - CSX had a record year for new listings - market capitalization exceeded USD800 billion
- 2022 – market capitalization reached US\$807 billion and the CSX ESG Market was established
- 2023 - Further diversification of the origin of new listings following successful marketing efforts in Asia.
- 2024 - Market capitalization reached US\$955 billion with 8,400+ listings since inception

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## Profile

The foundation for the establishment of the Cayman Islands Stock Exchange (the “CSX” or “Exchange”) was laid 29 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 2024 of approximately US\$955 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 2024, the CSX had registered fifteen listing agents, five broker members, and admitted to its Daily Official List from inception over 8,475 securities. The Official List is available for inspection at [www.csx.ky](http://www.csx.ky)



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## 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 issuers' 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.

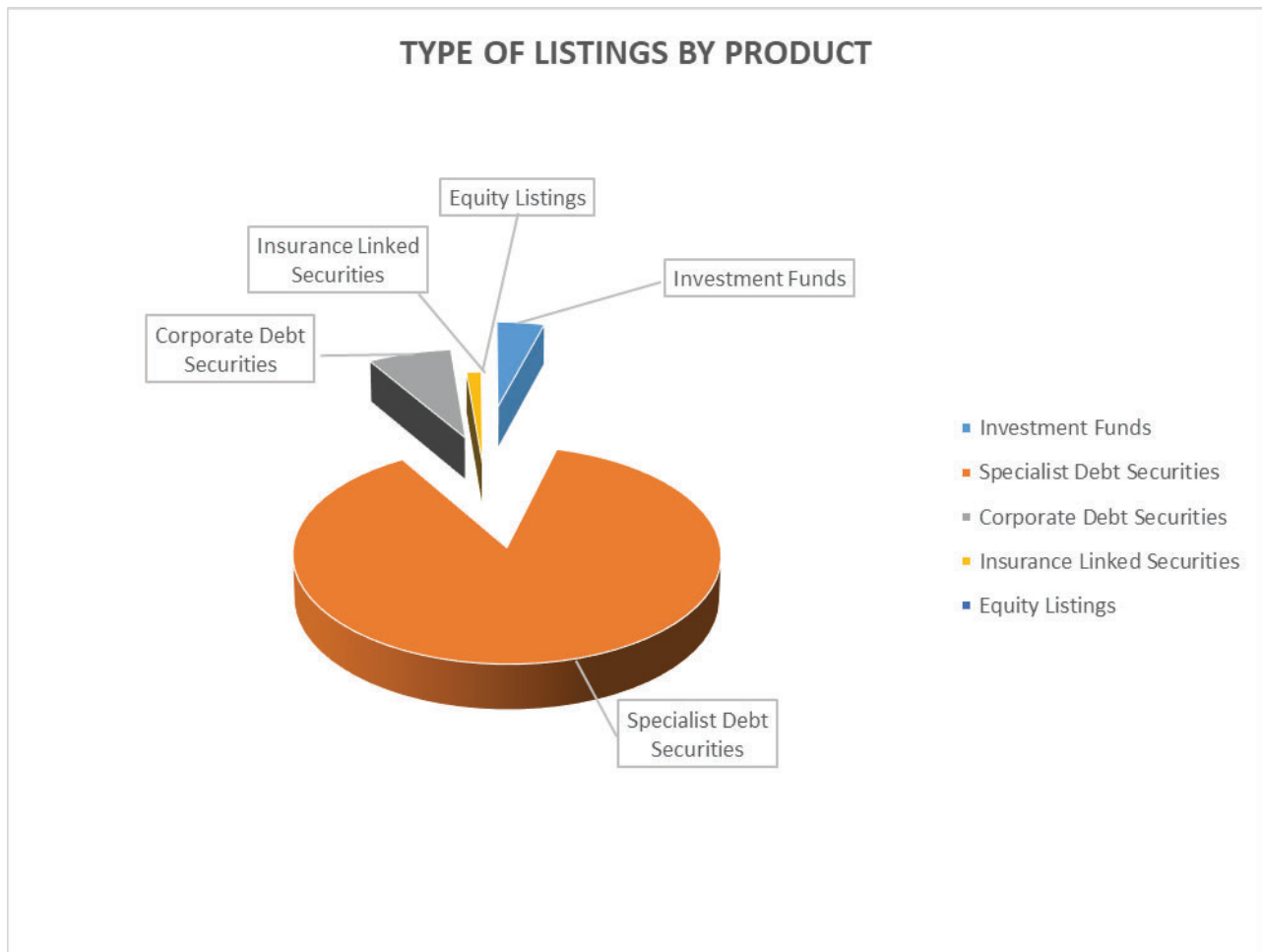
As part of its listing function the Exchange examines suitability and eligibility of issuers applying to have their securities admitted to its official list. Applications that meet the requirements of the CSX's Listing Rules are approved before the securities are admitted to listing and trading. An issuer, 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 following the pandemic with some cooling off in the face of rising interest rates in 2022 and 2023 but we also saw increased activity in 2024.

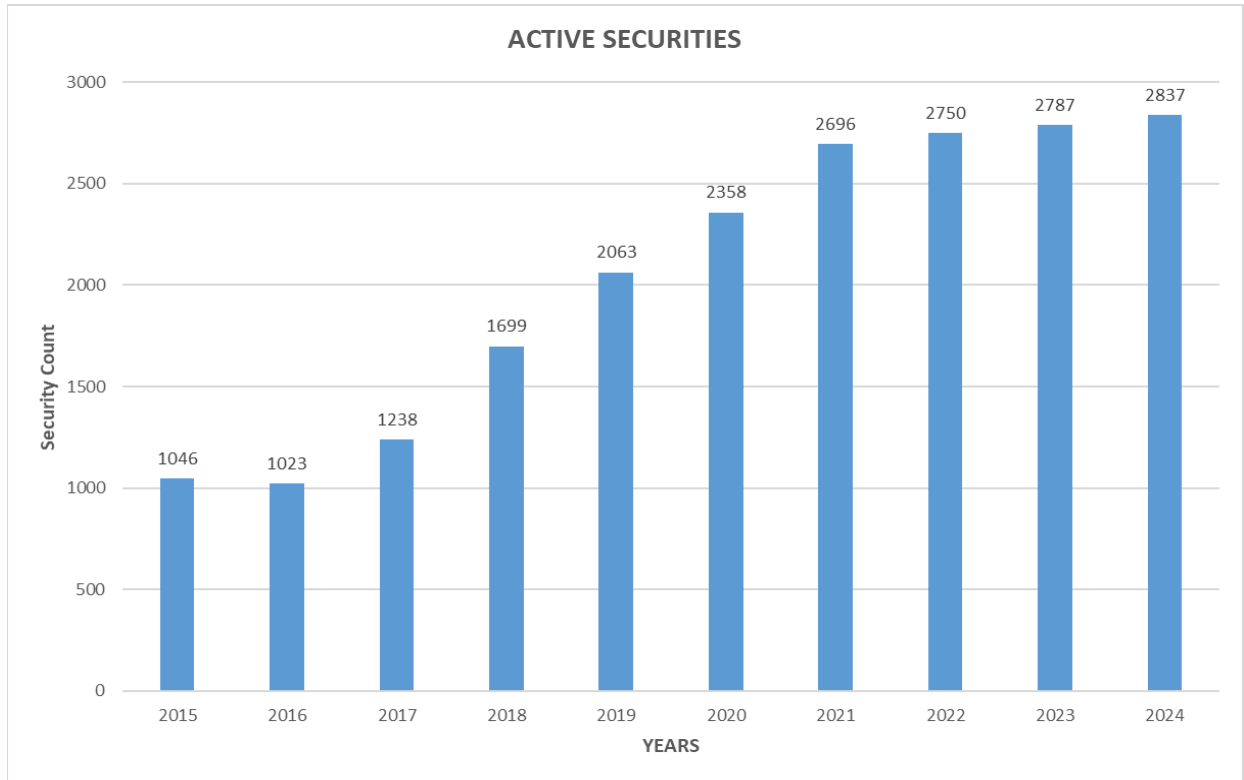
There were adverse macro-economic conditions for a time, but following this the Exchange continued to grow its market share in listing of collateralised loan obligation issuers (“CLOs”) in 2024 with 352 CLOs listed. This brings the total number of CLOs actively listed on CSX to 1,403 at the end of December 2024.

The following chart shows the breakdown of listings by product as of 31 December 2024:

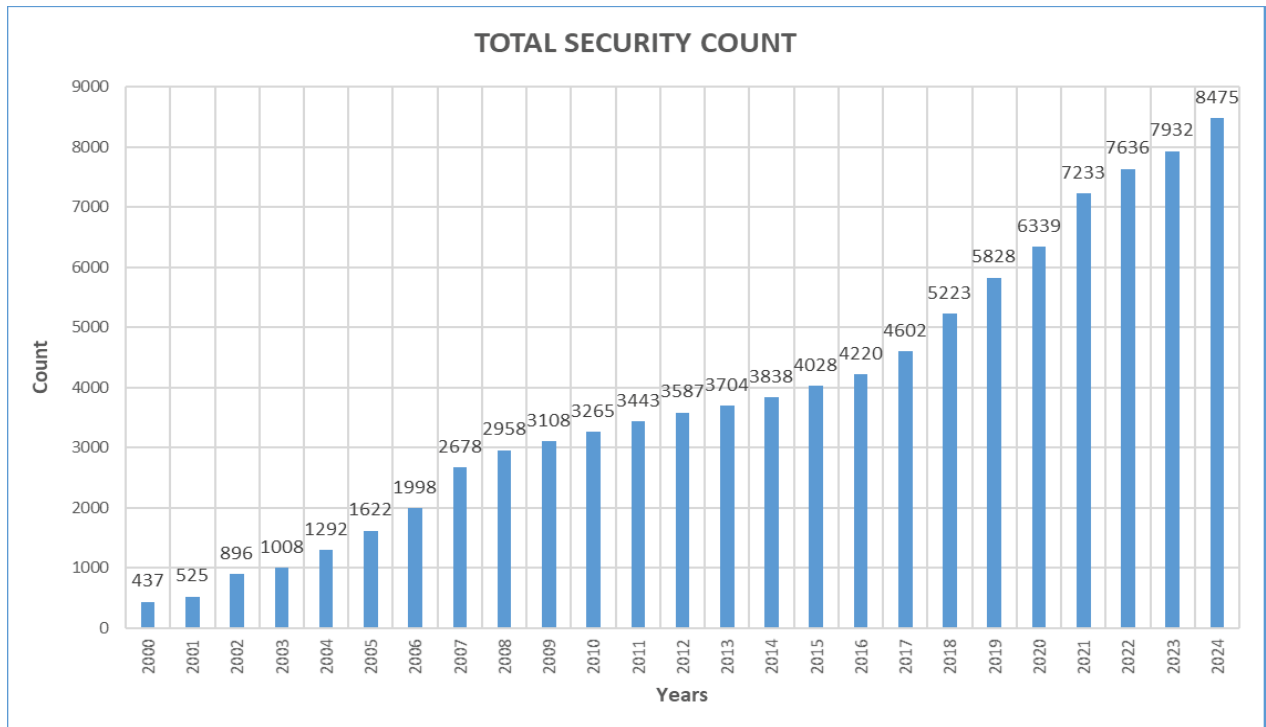


In 2024, the Exchange continued to build on recent success to record very strong business flows principally driven by the continued growth in new listings. The number of financial instruments admitted to the Daily Official List of the Exchange increased by 543 new securities, an increase of 86%, taking the number of active listed securities on the Daily Official List of the Exchange to 2,837, up 2% over 2023’s listings. The year 2024 also marked the fourth-best year for new securities listed in any single year since inception in 1996.

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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 8,475 at the end of 2024, an increase of 6.8% 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.

The Exchange continues to review its fee structure, listing rules, and policies to identify appropriate opportunities to enhance competitiveness and efficiency, in line with international best practices and standards. As a result, the CSX amended its Listing Rules and fee structure in 2024 to take effect 1 January 2025. Unlike the larger listing exchanges, the CSX has only a small trading business since 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 result, the CSX listed 543 new securities during 2024, taking the total number of active listings on the CSX to 2,837 at the end of 2024, and with market capitalization reaching US\$955 billion market capitalization increased by 8% year-on-year.

There were 525 securitisation bonds newly listed during 2024 and 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.

The relative resilience of capital markets activity and the value to clients of a well-trodden path to listing of specialist debt securities on the CSX helped to maintain a solid flow of new listings, including CLOs and securitisations. In the same period, the CSX further cemented its position as the leading venue for listing CLOs. The CSX also continued to attract a growing numbers of CLO issuers and has captured a significant percentage of U.S. new launches, refinancing and resets in the market. There were 352 CLO securities listed on the CSX last year, taking the total number of CLOs listed on the CSX to 1,403 securities at the end of December.

A review of the CLO listings in 2024 highlighted several main themes in the CLO market: (i) a good year for new issuance, (ii) the revival of the refinancing/reset transactions, and (iii) the return of the Cayman Islands as the jurisdiction of choice for the incorporation of US CLO issuers.

In 2021, 95% of the CSX-listed CLO issuers were incorporated in the Cayman Islands; with the other 5% of CLO issuers being Delaware incorporated (mid-market CLOs).

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In 2023, after nearly two years of the Cayman Islands being on the EU AML List, 50% of the CLO listings on the CSX were by Cayman Islands issuers; 38% were by Jersey issuers, 6% were by Bermudian issuers, and 6% were by Delaware issuers.

On 7 February 2024, the European Commission removed the Cayman Islands from its list of 'high-risk third countries' identified as having strategic deficiencies in their anti-money laundering/counterterrorist financing regimes ("EU AML List") and since then, we have seen a strong preference in the market to return to the Cayman Islands as the jurisdiction of choice for the incorporation and listing of US CLO issuers.

Overall, in 2024, Cayman Islands vehicles remained the largest single source of new business for CSX. However, more than 96 of all issuers listing securities on CSX last year were domiciled in either the United States, Ireland or Luxembourg, reflecting the CSX's growing international appeal. Notably issuers from Jersey, Bermuda, and Delaware increasingly chose CSX for their CLOs listings.

There was further diversification in the geographical origin of new fund listings during 2023. Following successful marketing efforts to the Asian market we witnessed growing interest by investment funds to list their shares on the Exchange. This trend continued into 2024.

Funds with Chinese managers are opting to list on CSX to enhance its compliance, transparency and regulatory status, so as to be more marketable to Chinese institutional investors. The listing on CSX helps these funds meet the regulatory requirements as issued by the China Securities Regulatory Commission ("CSRC").

While equity listings continue to grow, they account for only a small portion of the overall listings. 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 will continue to inform local proprietors of the benefits of listing on the CSX and will continue this initiative.

The CSX ESG Market, the comprehensive sustainable market segment, was launched in 2022 in order to support environmental, social and sustainable initiatives.

CSX ESG Market is designed to help issuers to meet investor demands for greater and more consistent disclosures and enhance visibility to bonds, funds and trading companies which are verified as making a positive environmental impact and/or are classified as sustainable securities. CSX ESG Market can enable those seeking investment into environmentally beneficial

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initiatives to highlight their credentials while, at the same time, providing easier access for investors who are looking to see a positive impact from investments they have made alongside traditional financial return.

A listing on the CSX ESG Market can assist with the marketing as well as enabling access to certain institutional investors, including pension funds as well as providing a withholding tax exemption for certain issuers. The CSX is a “Recognised Stock Exchange” by UK HM Revenue & Customs, making debt securities eligible for the Quoted Eurobond Exemption. The CSX ESG Market offers an environment where issuers of ESG and sustainable securities can market their securities and publish any material information and reports.

However, we have not had many inquiries concerning this market since overall interest in ESG securities has not maintained its initial attraction.

## **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.

## **Marketing**

The Exchange maintains memberships 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).

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The CSX was able to attend and exhibit at three conferences in 2024, namely SFVegas 2024, ABS East 2024, and CLO Summit in Dana Point. The CSX was also able to attend Asset Management Week Japan to market the listing services of the CSX.

In addition to exhibiting at the industry conferences, the CSX also commenced a rebranding exercise in 2024, unveiling a new image at ABS East 2024 that represents the array of colours found in the waters surrounding the Cayman Islands. This rebranding exercise will continue into 2025 for other print and electronic CSX media.

The CSX intends to continue building on its leading position as an offshore exchange by traveling to Asia, Europe, and the 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.

In addition to efforts overseas, the CSX is also always available locally to provide Listing Agents with an opportunity to discuss key topics and for the Exchange to receive valuable feedback.

## **Trading and NAV Reporting Activities**

Since 2020, all equity trades have been 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 are always able to access the new trading platform and use the trading facilities. The number of broker members remained at five in 2024.

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.

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## **CUSIP Numbering Agency**

The Exchange is acting as Standard & Poors' sole agent for CUSIP, a company that issues International Securities Identification Numbers ("ISINs") for Cayman Islands and British Virgin Islands incorporated entities. CUSIP revenue in 2024 increased by 32.5% to \$657,439 when compared to \$496,038 in 2023.

## **Human Resources**

There were no personnel changes in 2024 except for the Head of Information Technology and Trading Systems who transitioned to working part-time and remotely. As at 31 December 2024, key management personnel consisted of the Chief Executive Officer, the Head of Listing, and the Operations & Finance Manager. The Exchange will endeavour to attract and recruit qualified and experienced employees when necessary to do so.

## **Community Outreach**

At the CSX, we believe that our financial success should also translate to additional benefit for the community in which we live. Therefore, the Council of the Exchange decided that the CSX would contribute to various organizations that provide opportunities for people to maximize their full potential and improve their standing in life.

In 2023, the CSX developed and implemented a policy to govern donations to charitable causes and in accordance with that policy the CSX made a CI\$20,000 donation to the Sunrise Caring Association in December 2024 to assist with providing additional support for the staff, facilities, and programs and additional speech therapy to clients at the Sunrise Adult Training Centre.

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## Financial Report

### Financial Highlights

The main financial highlights for the year ended 31 December 2024 ("2024") are set out below for comparison with actual results for the year ended 31 December 2023 ("2023"):

|                                      | 2023 Actual | 2024 Actual | 2024 Budget | 2024 Variance<br>Actual/Budget |
|--------------------------------------|-------------|-------------|-------------|--------------------------------|
|                                      | CI\$        | CI\$        | CI\$        | %                              |
| Total Revenue                        | 4,221,004   | 5,066,108   | 3,813,349   | 33%                            |
| Operating Expenses                   | 2,250,753   | 2,300,758   | 2,319,677   | -1%                            |
| Net Income                           | 1,970,251   | 2,765,350   | 1,493,672   | 85%                            |
| Total Assets                         | 11,529,079  | 13,449,689  | 11,910,445  | 13%                            |
| Total Liabilities                    | 3,474,352   | 3,448,845   | 3,574,056   | -4%                            |
| Total Shareholder's Equity           | 8,054,727   | 10,000,844  | 8,336,389   | 20%                            |
| Net Cash from Operating              | 2,253,448   | 2,654,298   | 1,600,320   | 66%                            |
| Cash at End of Year                  | 10,639,265  | 11,558,488  | 10,706,907  | 8%                             |
| Current Assets : Current Liabilities | 7.15        | 9.26        | 8.51        |                                |
| Total Assets : Total Liabilities     | 3.31        | 3.90        | 3.33        |                                |

Total revenue for 2024 was CI\$5.1 million compared to CI\$4.2 million for 2023, an increase of 20.02%.

Operating expenses for 2024 totalled CI\$2.30 million (compared to CI\$2.25 million in 2023), an increase of 2.22%.

Net income for 2024 was CI\$2,765,350 compared to \$1,970,251 for 2023, an increase of 40.36%.

In accordance with the Cayman Islands Government's dividend calculation formula, a dividend of CI\$985,125 relating to 2023 was paid to the sole shareholder of the Exchange in August 2024.

Total assets in 2024 were CI\$13,449,689 compared to CI\$11,529,079 in 2023, an increase of 16.66%.

Total liabilities in 2024 were CI\$3,448,845 compared to CI\$3,474,352 in 2023, a decrease of 0.73%.

## THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

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Total Shareholder's Equity increased to CI\$10,000,844 from CI\$8,054,727 in 2023, an increase of 24.16%.

Net Cash from Operating Activities was CI\$2,654,298 compared to CI\$2,253,448 in 2023, an increase of 17.79%.

Cash at end of year was CI\$11,558,488 compared to CI\$10,639,265 in 2023, an increase of 8.64%.

Total assets performed 13% better than expected with a CI\$1.5 million increase over budget, driven by CI\$1.0 million investment in leasehold improvements.



***The Cayman Islands Stock  
Exchange Ltd.***

**Financial Statements**

for the year ended  
31 December 2024  
and Independent Auditor's Report

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD. FINANCIAL STATEMENTS

for the year ended 31 December 2024

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The Cayman Islands Stock Exchange Ltd.

## STATEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

These financial statements have been prepared by The Cayman Islands Stock Exchange Ltd. (the "Company") in accordance with the provisions of the *Public Management and Finance Act (2020 Revision)*.

We accept responsibility for the accuracy and integrity of the financial information in these financial statements and their compliance with the *Public Management and Finance Act (2020 Revision)*.

As Chairman and Chief Executive Officer, we are responsible for establishing and have established and maintain a system of internal controls designed to provide reasonable assurance that the transactions recorded in the financial statements are authorised by law, and properly reflect the financial transactions of the Company.

As Chairman and Chief Executive Officer we are responsible for the preparation of the Company's financial statements and for the judgements made in them.

The financial statements fairly present the statements of comprehensive income, financial position, changes in shareholder's equity, and cash flows, as well as the explanatory information, for the year ended 31 December 2024.

To the best of our knowledge we represent that these financial statements:

- (a) are complete and reliably reflect the financial transactions of the Company for the year ended 31 December 2024;
- (b) fairly reflect the financial position as at 31 December 2024 and performance for the year ended 31 December 2024;
- (c) comply with IFRS® Accounting Standards under the responsibility of the International Accounting Standards Board.

The Office of the Auditor General and its agent jointly conducted an independent audit and expressed an opinion on the accompanying financial statements. The Office of the Auditor General and its agent have been provided access to all the information necessary to conduct an audit in accordance with International Standards on Auditing.



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Anthony Travers  
Chairman  
The Cayman Islands Stock Exchange Ltd.



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Marco S. Archer  
Chief Executive Officer  
The Cayman Islands Stock Exchange Ltd.

29 April 2025

29 April 2025

## **INDEPENDENT AUDITOR’S REPORT TO THE BOARD OF DIRECTORS OF THE CAYMAN ISLANDS STOCK EXCHANGE LTD.**

### **Opinion**

We have audited the financial statements of The Cayman Islands Stock Exchange Ltd. (the “Company”) which comprise the statement of financial position as at 31 December 2024, and the related statements of comprehensive income, changes in shareholder’s equity and cash flows for the year ended 31 December 2024, and the notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) (“IFRS Accounting Standards”)

### **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 Cayman Islands Institute of Professional Accountants’ Code of Ethics for Professional Accountants (CIIPA Code) and the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), both the ethical requirements that are relevant to our audit of the financial statements in the Cayman Islands, and 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**

Management is responsible for the other information. The other information comprises the annual report for the year ended 31 December 2024. The other information does not include the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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.

## **INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF THE CAYMAN ISLANDS STOCK EXCHANGE LTD. (CONTINUED)**

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and for such internal control as management determines 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance 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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgment 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

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF THE CAYMAN ISLANDS STOCK EXCHANGE LTD. (CONTINUED)**

**Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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.

**Use of our Report**

This report, including the opinion, has been prepared for and only for the Company's Board of Directors, as a body, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

*Baker Tilly (Cayman) Ltd.*

**Baker Tilly (Cayman) Ltd.  
Grand Cayman, Cayman Islands  
29 April 2025**

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Statement of Comprehensive Income

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

|  | <u>Note</u> | <u>Year ended</u><br><u>31 December 2024</u> | <u>Year ended</u><br><u>31 December 2023</u> |
|--|-------------|--|--|
| <b>Revenues</b>                            |             |  |  |
| Revenue                                    | 3,13        | \$ 4,671,105                                 | \$ 4,066,811                                 |
| Interest income                            |             | 395,003                                      | 154,193                                      |
|  |             | <u>5,066,108</u>                             | <u>4,221,004</u>                             |
| <b>Operating expenses</b>                  |             |  |  |
| Personnel                                  | 10, 11      | 1,173,096                                    | 1,142,615                                    |
| Depreciation                               | 4, 7        | 203,799                                      | 290,054                                      |
| Legal and professional fees                | 13          | 203,698                                      | 215,659                                      |
| Marketing, travel and subsistence          | 12          | 132,738                                      | 123,797                                      |
| Technology                                 |             | 125,125                                      | 128,638                                      |
| CUSIP expense                              |             | 116,427                                      | 144,187                                      |
| Impairment allowances                      | 6           | 89,163                                       | (50,555)                                     |
| Utilities                                  |             | 63,059                                       | 53,040                                       |
| Other office and miscellaneous             |             | 60,102                                       | 54,630                                       |
| Memberships, subscriptions, publications   |             | 48,893                                       | 43,380                                       |
| Bloomberg terminals                        |             | 24,600                                       | 23,625                                       |
| Donations                                  |             | 20,000                                       | 20,000                                       |
| Insurance                                  |             | 13,732                                       | 13,854                                       |
| Training                                   |             | 10,624                                       | 15,920                                       |
| Disaster recovery                          |             | 9,148  | 8,871  |
| Printing, postage, courier and stationery  |             | 4,659  | 9,498  |
| Lease finance charges                      | 7           | 1,795  | 3,992  |
| Lease of office                            |             | 100  | 100  |
| Loss on lease modification                 |             | -  | 9,448  |
|  |             | <u>2,300,758</u>                             | <u>2,250,753</u>                             |
| <b>Net income and comprehensive income</b> |             | <b><u>\$ 2,765,350</u></b>                   | <b><u>\$ 1,970,251</u></b>                   |

See notes to the financial statements

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Statement of Financial Position

31 December 2024

(expressed in Cayman Islands dollars)

|  | <u>Note</u> | <u>As at</u><br><u>31 December 2024</u> | <u>As at</u><br><u>31 December 2023</u> |
|--|-------------|---|---|
| Current assets   |             |   |   |
| Cash and cash equivalents  | 5,6         | \$ 11,558,488                           | \$ 10,639,265                           |
| Trade receivables (net of impairment allowances:<br>\$211,813 (2023: \$146,697)) | 3,6         | 593,891                                 | 463,147                                 |
| Prepayments and other receivables  |             | 64,340                                  | 52,324                                  |
| Short term investment  |             | 26,058                                  | 31,071                                  |
| <b>Total current assets</b>  |             | <b>12,242,777</b>                       | <b>11,185,807</b>                       |
| Non-current assets   |             |   |   |
| Right of use assets  | 7           | 5,708                                   | 74,132                                  |
| Property, plant and equipment  | 4           | 1,201,204                               | 269,140                                 |
| <b>Total non-current assets</b>  |             | <b>1,206,912</b>                        | <b>343,272</b>                          |
| <b>Total assets</b>  |             | <b>\$ 13,449,689</b>                    | <b>\$ 11,529,079</b>                    |
| Current liabilities  |             |   |   |
| Accounts payable and accrued liabilities   |             | 241,080                                 | 226,064                                 |
| Contract liabilities   | 3           | 254,466                                 | 267,379                                 |
| Lease liabilities  | 7           | 7,309                                   | 81,024                                  |
| Dividend payable   | 8           | 819,233                                 | 985,125                                 |
| <b>Total current liabilities</b>   |             | <b>1,322,088</b>                        | <b>1,559,592</b>                        |
| Non-current liabilities  |             |   |   |
| Contract liabilities   | 3           | 2,126,757                               | 1,907,743                               |
| Lease liabilities  | 7           | -                                       | 7,017                                   |
| <b>Total non-current liabilities</b>   |             | <b>2,126,757</b>                        | <b>1,914,760</b>                        |
| <b>Total liabilities</b>   |             | <b>3,448,845</b>                        | <b>3,474,352</b>                        |
| Shareholder's equity   |             |   |   |
| Share capital  | 8           | 100,000                                 | 100,000                                 |
| Additional paid-in capital   |             | 71,926                                  | 71,926                                  |
| Retained earnings  |             | 9,828,918                               | 7,882,801                               |
| <b>Total shareholder's equity</b>  |             | <b>10,000,844</b>                       | <b>8,054,727</b>                        |
| <b>Total liabilities and shareholder's equity</b>                                |             | <b>\$ 13,449,689</b>                    | <b>\$ 11,529,079</b>                    |

See notes to the financial statements

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Statement of Changes in Shareholder's Equity

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

|  | <u>Note</u> | <u>Share capital</u> | <u>Additional paid-in capital</u> | <u>Retained earnings</u> | <u>Total shareholder's equity</u> |
|--|-------------|----------------------|-----------------------------------|--------------------------|-----------------------------------|
| Balance at 1 January 2023                        |             | \$100,000            | \$71,926                          | \$6,897,675              | \$7,069,601                       |
| Net income and comprehensive income for the year |             | -                    | -                                 | 1,970,251                | 1,970,251                         |
| Dividend payable                                 | 8           | -                    | -                                 | (985,125)                | (985,125)                         |
| Balance at 31 December 2023                      |             | 100,000              | 71,926                            | 7,882,801                | 8,054,727                         |
| Net income and comprehensive income for the year |             | -                    | -                                 | 2,765,350                | 2,765,350                         |
| Dividend payable                                 | 8           | -                    | -                                 | (819,233)                | (819,233)                         |
| <b>Balance at 31 December 2024</b>               |             | <b>\$ 100,000</b>    | <b>\$ 71,926</b>                  | <b>\$ 9,828,918</b>      | <b>\$ 10,000,844</b>              |

See notes to the financial statements

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Statement of Cash Flows

for the year ended 31 December 2024

(expressed in Cayman Islands dollars )

|  | Year ended<br><u>31 December 2024</u> | Year ended<br><u>31 December 2023</u> |
|--|---------------------------------------|---------------------------------------|
| <b>Cash provided by (used in):</b>                                 |                                       |                                       |
| <b>Operating activities</b>  |                                       |                                       |
| Net income and comprehensive income<br>for the year                | \$ 2,765,350                          | \$ 1,970,251                          |
| Adjustments for items not affecting cash:                          |                                       |                                       |
| Interest income  | (395,003)                             | (154,193)                             |
| Impairment allowances  | 89,163                                | (50,555)                              |
| Depreciation   | 203,799                               | 290,054                               |
| Loss on lease modification   | -                                     | 9,448                                 |
| Lease finance charge   | 1,795                                 | 3,992                                 |
|  | <u>2,665,104</u>                      | <u>2,068,997</u>                      |
| Changes in operating assets and liabilities:                       |                                       |                                       |
| (Increase)/decrease in gross trade receivables                     | (219,907)                             | 192,853                               |
| (Increase)/decrease in prepayments and other<br>receivables        | (12,016)                              | 940                                   |
| Increase/(decrease) in accounts payable and<br>accrued liabilities | 15,016                                | (54,525)                              |
| Increase in contract liabilities                                   | 206,101                               | 45,183                                |
| Net cash provided by operating activities                          | <u>2,654,298</u>                      | <u>2,253,448</u>                      |
| <b>Investing activities</b>  |                                       |                                       |
| Interest received  | 398,221                               | 134,049                               |
| Purchase of property, plant and equipment                          | (1,067,439)                           | (148,124)                             |
| Cash used in investing activities                                  | <u>(669,218)</u>                      | <u>(14,075)</u>                       |
| <b>Financing activities</b>  |                                       |                                       |
| Principal payment of lease liability                               | (80,732)                              | (79,406)                              |
| Dividends paid   | (985,125)                             | (518,152)                             |
| Cash used in financing activities                                  | <u>(1,065,857)</u>                    | <u>(597,558)</u>                      |
| <b>Net increase in cash and cash equivalents</b>                   | 919,223                               | 1,641,815                             |
| Cash and cash equivalents, beginning of year                       | 10,639,265                            | 8,997,450                             |
| <b>Cash and cash equivalents, end of year</b>                      | <u>\$ 11,558,488</u>                  | <u>\$ 10,639,265</u>                  |

See notes to the financial statements

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

*(expressed in Cayman Islands dollars)*

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### 1. INCORPORATION AND GENERAL INFORMATION

The Cayman Islands Stock Exchange Ltd. (the "Company") was incorporated as a private company limited by shares on 26 September 1996 as CSX Ltd. pursuant to the Cayman Islands Companies Act. The Company changed its name to The Cayman Islands Stock Exchange Ltd. on 23 December 1996.

In accordance with the powers conferred by the Cayman Islands Stock Exchange Company Act (2014 Revision) the Company is engaged in carrying on the business of establishing and operating a securities market for the listing and trading of securities. This business includes the admission of persons as exchange members entitled by reason of membership of the exchange to engage in the listing and trading of securities through the facilities made available by the Company for such purposes.

The Company is wholly owned by the Stock Exchange Authority (the "Authority") on behalf of the Government of the Cayman Islands (the "Government").

### 2. MATERIAL ACCOUNTING POLICIES

#### Statement of compliance

The financial statements are prepared in accordance with IFRS<sup>®</sup> Accounting Standards as issued by the International Accounting Standards Board ("IASB").

#### Basis of preparation

The financial statements of the Company are prepared using the going concern assumption under the historical cost basis.

#### Cash and cash equivalents

The Company considers cash and short-term deposits with an original maturity of three months or less to be cash and cash equivalents.

#### Short term investments

The Company considers deposits with an original maturity of more than 3 months and less than 12 months to be short term investments.

#### Translation of foreign currencies

Monetary assets and liabilities denominated, or accounted for, in currencies other than Cayman Islands dollars are translated into Cayman Islands dollars at the applicable exchange rate ruling at the Statement of Financial Position date. Non-monetary assets and liabilities are translated using the exchange rates at the transaction date and not retranslated. Foreign currency income and expense transactions are translated at the appropriate exchange rate ruling at the transaction date. Realised and unrealised gains and losses arising from such transactions are included in the Statement of Comprehensive Income. The Cayman Islands dollar is the functional and reporting currency.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### Property, plant and equipment recognition and valuation

The cost of an asset comprises its purchase price and the directly attributable costs of bringing the asset to working condition for its intended use. Expenditures for additions and major improvements are capitalized. Expenditures for repairs and maintenance are expensed to the statement of comprehensive income as incurred. When assets are sold, retired, or otherwise disposed of, their cost and related accumulated depreciation are removed from the statement of financial position and any gain or loss is recognised in the statement of comprehensive income.

Property, plant and equipment are depreciated using the straight-line method over their estimated useful lives as follows:

| <i>Type of non-current asset</i> | <i>Estimated useful life</i>    |
|----------------------------------|---------------------------------|
| Leasehold improvements           | Remainder of current lease term |
| Computer hardware                | 3 years                         |
| Office furniture and equipment   | 10 years                        |

An asset's depreciation commences when it becomes available for its intended use.

An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. For the years ending 31 December 2024 and 2023, no impairment was recognized to the carrying amount of property, plant and equipment.

#### Leases

All leases are accounted for by recognizing a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

The lease liability is presented as a separate line in the statement of financial position. On initial recognition, the carrying value of the lease liability also includes:

- amounts expected to be payable under any residual value guarantee; the exercise price of any purchase option granted in favor of the Company if it is reasonably certain to exercise that option.
- any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of a termination option being exercised.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### Leases (continued)

Right-of-use assets are presented in a separate line item in the statement of financial position. Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- lease payments made at or before commencement of the lease.
- initial direct costs incurred; and
- the amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term. The Company has elected to apply a practical expedient as per IFRS 16 Leases to combine lease components and associated non-lease components as a single lease component to measure the right-of-use asset and lease liability for building leases.

#### Financial assets and liabilities

IFRS 9 *Financial Instruments* ("IFRS 9") sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

#### *Classification and measurement*

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income, or fair value through profit or loss ("FVTPL").

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

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

The Company holds its financial assets with the objective of collecting the contractual cash flows and the payments are solely payments of principal and interest. As such all financial instruments are classified at amortised cost and the policies specified below are specific to the amortised cost basis.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### Financial assets and liabilities (continued)

##### *Classification and measurement (continued)*

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue for items not held at fair value through profit or loss. A trade receivable without a significant financing component is initially measured at the transaction price.

The Company classifies its financial liabilities as measured at amortised cost. Such financial liabilities are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or obligations to the Cayman Islands Government for dividends based on net income and comprehensive income. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Accounts payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### *Derecognition*

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.

The Company enters into transactions whereby it transfers assets recognised in its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

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.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in the Statement of Comprehensive Income.

##### *Offsetting*

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

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### Financial assets and liabilities (continued)

##### *Impairment*

The “expected credit loss” (“ECL”) model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company only has financial assets carried at amortised cost.

##### *Allowance for credit losses*

An allowance for credit losses (“ACL”) is established for financial assets carried at amortised cost. Financial assets carried at amortised cost are presented net of ACL on the statement of financial Position. The Company measures the ACL on each reporting date according to a three-stage expected credit loss impairment model, with Stages 1 and 2 for performing financial assets, and Stage 3 for impaired financial assets.

**Stage 1** – From initial recognition of a financial asset to the date on which the asset has experienced a significant increase in credit risk relative to its initial recognition, a loss allowance is recognized equal to the credit losses expected to result from defaults occurring over the 12 months following the reporting date.

**Stage 2** – Following a significant increase in credit risk relative to the initial recognition of the financial asset, a loss allowance is recognized equal to the credit losses expected over the remaining lifetime of the asset with interest calculated on the gross balance.

**Stage 3** – When a financial asset is considered to be credit-impaired, a loss allowance is recognised equal to credit losses expected over the remaining lifetime of the asset with interest calculated on the balance net of impairment.

The ECL is a discounted probability-weighted estimate of the cash shortfalls expected to result from defaults over the relevant time horizon.

Increases or decreases in the required ACL attributable to derecognitions and remeasurements due to changes in loss expectations or stage migrations are recorded in impairment allowance in the statement of comprehensive income. Write-off and recoveries are recorded against an allowance for credit losses in the statement of financial position. The ACL represents an unbiased estimate of expected credit losses on financial assets as at the reporting date. Judgement is required in making assumptions and estimations when calculating the ACL, including movements between the three stages and the application of forward-looking information. The underlying assumptions and estimates could result in changes to the allowances from period to period that significantly affects the results of operations.

##### *Measurement of expected credit losses*

Expected credit losses are based on a range of possible outcomes and consider available reasonable and supportable information including internal and external ratings, historical credit loss experience, and expectations about future cash flows.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

*(expressed in Cayman Islands dollars)*

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### 2. MATERIAL ACCOUNTING POLICIES (continued)

#### ***Measurement of expected credit losses (continued)***

The measurement of expected credit losses is based primarily on the product of the instrument's probability of default ("PD"), loss given default ("LGD"), and exposure at default ("EAD") discounted to the reporting date. The Company has adopted a "simplified approach" for trade receivables. The simplified approach, as permitted by IFRS 9, allows entities to recognise lifetime expected losses without the need to identify significant increases in credit risk (see Note 6).

#### **Dividend payable**

The Company has an obligation to pay dividends to the Cayman Islands Government based on the Public Authorities Act and the Dividend Policy produced by the Ministry of Finance. Dividends payable to the Government are calculated based on applicable laws and regulations and are recognized as a liability when the conditions under the relevant laws and policies as set out by the Cayman Islands Government are met.

#### **Critical accounting judgements and key sources of estimation uncertainty**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities. Estimates are continually evaluated based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The key areas of judgement or estimation are with regard to the expected credit losses of trade receivables and the period over which to release deferred initial listings fees. The company estimated the deferral period for debt securities to be from the initial listing date to the maturity date of the security. The Company estimates expected credit losses based on the historical loss rates of credit sales in the preceding 12 month period. These historical loss rates are applied against the aged trade receivables in a provision matrix.

#### **New and amended accounting pronouncements**

A number of new and revised standards and interpretations were effective for the current reporting period. These did not have a material effect on the financial statements of the Company.

A number of new and revised standards and interpretations are effective for future reporting periods. None of these are expected to have a material effect on the financial statements of the Company.

#### **Prior year comparative information**

Certain comparative information has been amended to conform with current year presentation.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 3. REVENUE

The Company generates revenue primarily from the provision of listing services to its customers. Other sources of revenue include income from the provision of Committee on Uniform Security Identification Procedures (“CUSIP”) identifiers.

In the following table, revenue from contracts with customers for the years ended 31 December 2024 and 2023, is disaggregated by the Company’s major service lines.

| Major service lines                     | Year ended              | Year ended              |
|---|-------------------------|-------------------------|
|   | <u>31 December 2024</u> | <u>31 December 2023</u> |
| Listing fees (including delisting fees) | \$ 3,746,694            | \$ 3,306,897            |
| Cusip income                            | 657,439                 | 496,038                 |
| Listing agent fees                      | 207,050                 | 207,050                 |
| Broker member fees                      | 39,360                  | 40,590                  |
| Other income                            | 20,562                  | 16,236                  |
| Revenue from contracts with customers   | <u>\$ 4,671,105</u>     | <u>\$ 4,066,811</u>     |

Listing fees are further disaggregated as follows:

| Listing fees                       | Year ended              | Year ended              |
|------------------------------------|-------------------------|-------------------------|
|                                    | <u>31 December 2024</u> | <u>31 December 2023</u> |
| Debt securities                    | \$ 2,813,980            | \$ 2,398,644            |
| Corporate debt securities          | 373,428                 | 437,798                 |
| Investment funds                   | 202,212                 | 178,842                 |
| Specialist companies               | 74,620                  | 63,858                  |
| Equity securities                  | 94,300                  | 72,570                  |
| Insurance linked securities        | 36,080                  | 37,310                  |
| Listing document updates and other | 44,203                  | 54,407                  |
| De-listing fees                    | 107,871                 | 63,468                  |
|                                    | <u>\$3,746,694</u>      | <u>\$3,306,897</u>      |

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

### 3. REVENUE (continued)

#### CUSIP Revenues

The Company is the exclusive CUSIP international numbering agent for issuing CUSIP numbering system identifiers for securities of issuers registered in the Cayman Islands and the British Virgin Islands.

CUSIP revenues are disaggregated by registration location as follows:

|                        | Year ended<br>31 December 2024 | Year ended<br>31 December 2023 |
|------------------------|--------------------------------|--------------------------------|
| Cayman Islands         | \$ 593,479                     | \$ 460,614                     |
| British Virgin Islands | 63,960                         | 35,424                         |
|                        | <u>\$ 657,439</u>              | <u>\$ 496,038</u>              |

#### IFRS 15, Revenue from Contracts with Customers

IFRS 15, *Revenue from contracts with customers* ("IFRS 15") establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

#### Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a service to a customer.

#### Performance obligations and revenue recognition policies

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

| Type of service | Nature and timing of satisfaction of performance obligations  | Revenue recognition policies   |
|-----------------|---|--|
| Initial listing | Invoices for initial listings are issued when the customer's application for listing is accepted by the Company based on the Company's published price list. Initial listing fees are not considered a separate performance obligation from annual listings fees. | Revenue is recognised over time as the services are provided for the duration of the listing.<br><br>As a result, revenue relating to the remainder of the listing period after the first year, is deferred and recognised in contract liabilities on the statement of financial position. The portion of the deferral period over 12 months is recognized in non-current liabilities. |

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

### 3. REVENUE (continued)

#### *Performance obligations and revenue recognition policies (continued)*

| Type of service | Nature and timing of satisfaction of performance obligations   | Revenue recognition policies  |
|-----------------|--|---|
| Annual listing  | Invoices for annual listing fees are issued at the point at which the security is listed, based on the Company's published price list. Thereafter, an invoice is issued at the anniversary date of listing.  | Revenue is recognised at the point in time at which the security is listed, and its anniversary thereafter.   |
| CUSIP           | Invoices for CUSIP fees are issued at the point at which the CUSIP is provided to the customer based on the Company's published price list. For one revenue stream bulk CUSIP's are paid up front and then deferred through the Statement of Financial Position and recognised in revenue when utilised. | Revenue is recognised at the point in time at which the CUSIP is issued. For bulk CUSIP's paid up front, these are deferred until utilised when the revenue is then recognised. |
| Listing agent   | Listing agents are invoiced at the point in time at which they are admitted as a listing agent based on the Company's published price list. Thereafter, an invoice is issued at the anniversary date of acceptance.  | Revenue is recognised at the point in time at which the agent is admitted, and its anniversary thereafter.  |
| Broker member   | Broker members are invoiced at the point in time at which they are admitted as a broker member based on the Company's published price list. Thereafter, an invoice is issued at the anniversary date of admittance.  | Revenue is recognised at the point in time at which the broker member is admitted, and its anniversary thereafter.  |

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 3. REVENUE (continued)

#### *Performance obligations satisfied over time (continued)*

The following table shows the split of revenue for the year ended 31 December 2024, based on the timing of revenue recognition:

|   | <u>31 December 2024</u> | <u>31 December 2023</u> |
|---|-------------------------|-------------------------|
| Services transferred at a point in time | \$ 4,191,496            | \$ 3,679,463            |
| Services transferred over time          | 479,609                 | 387,348                 |
| Revenue from contracts with customers   | <u>\$ 4,671,105</u>     | <u>\$ 4,066,811</u>     |

#### *Contract balances*

The following table provides information about trade receivables and contract liabilities from contracts with customers as of 31 December 2024.

|                      | <u>31 December 2024</u> | <u>31 December 2023</u> |
|----------------------|-------------------------|-------------------------|
| Trade receivables    | \$ 593,891              | \$ 463,147              |
| Contract liabilities | \$ 2,381,223            | \$ 2,175,122            |

Contract liabilities primarily relate to the advance consideration received from customers for initial listing fees, for which revenue is recognised over time. As at 31 December 2024, the amount of contract liabilities in relation to initial listing fees, is \$2,314,802 (2023: \$2,099,456), which will be recognised as revenue over the duration of the listings.

Also included in contract liabilities are bulk CUSIP contracts which are paid for upfront and then deferred, until that CUSIP is assigned a security. At which point it, will be recognised in revenue. At 31 Dec 2024 \$66,421 (2023: \$75,666) was included in contract liabilities in relation to CUSIP contracts.

An amount of \$479,609 (2023: \$387,348) included in contract liabilities as at 31 December 2023 has been recognised as revenue in 2024. Of this \$147,021 (2023: \$102,591), is due to the listing being cancelled prior to original maturity.

No information is provided about remaining performance obligations at 31 December 2024 that have an original expected duration of one year or less, as allowed by IFRS 15.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

### 4. PROPERTY, PLANT AND EQUIPMENT

|  | Leasehold<br>improvements | Leasehold<br>improvements<br>in progress | Computer<br>hardware and<br>software | Office furniture<br>and equipment | Total            |
|--|---------------------------|--|--------------------------------------|-----------------------------------|------------------|
| <b>Cost</b>  |                           |  |                                      |                                   |                  |
| At 31 December 2023                                      | 427,569                   | 38,872                                   | 832,881                              | 75,187                            | 1,374,509        |
| Removal of fully depreciated assets,<br>no longer in use | -                         | -  | (21,481)                             | (869)                             | (22,350)         |
| Additions  |                           | 994,020                                  | 64,243                               | 9,176                             | 1,067,439        |
| At 31 December 2024                                      | 427,569                   | 1,032,892                                | 875,643                              | 83,494                            | 2,419,598        |
| <b>Accumulated Depreciation</b>                          |                           |  |                                      |                                   |                  |
| At 31 December 2023                                      | 340,558                   | -  | 723,735                              | 41,076                            | 1,105,369        |
| Removal of fully depreciated assets,<br>no longer in use | -                         | -  | (21,481)                             | (869)                             | (22,350)         |
| Charge for the year                                      | 78,590                    | -  | 50,006                               | 6,779                             | 135,375          |
| At 31 December 2024                                      | 419,148                   | -  | 752,260                              | 46,986                            | 1,218,394        |
| <b>Net book value 31 December 2024</b>                   | <b>8,421</b>              | <b>1,032,892</b>                         | <b>123,383</b>                       | <b>36,508</b>                     | <b>1,201,204</b> |

|  | Leasehold<br>improvements | Leasehold<br>improvements<br>in progress | Computer<br>hardware and<br>software | Office furniture<br>and equipment | Total          |
|--|---------------------------|--|--------------------------------------|-----------------------------------|----------------|
| <b>Cost</b>  |                           |  |                                      |                                   |                |
| At 31 December 2022                                      | 427,569                   | -  | 902,402                              | 75,187                            | 1,405,158      |
| Removal of fully depreciated assets,<br>no longer in use | -                         | -  | (178,773)                            | -                                 | (178,773)      |
| Additions  | -                         | 38,872                                   | 109,252                              | -                                 | 148,124        |
| At 31 December 2023                                      | 427,569                   | 38,872                                   | 832,881                              | 75,187                            | 1,374,509      |
| <b>Accumulated Depreciation</b>                          |                           |  |                                      |                                   |                |
| At 31 December 2022                                      | 142,523                   | -  | 884,968                              | 35,026                            | 1,062,517      |
| Removal of fully depreciated assets,<br>no longer in use | -                         | -  | (178,773)                            | -                                 | (178,773)      |
| Charge for the year                                      | 198,035                   | -  | 17,540                               | 6,050                             | 221,625        |
| At 31 December 2023                                      | 340,558                   | -  | 723,735                              | 41,076                            | 1,105,369      |
| <b>Net book value 31 December 2023</b>                   | <b>87,011</b>             | <b>38,872</b>                            | <b>109,146</b>                       | <b>34,111</b>                     | <b>269,140</b> |

For the years ended 31 December 2024 and 2023, leasehold improvements for the company's new office space (refer to note 7) were not available for their intended use, and such, no depreciation has been recorded for these assets.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 5. CASH AND CASH EQUIVALENTS

|   | <u>31 December 2024</u> | <u>31 December 2023</u> |
|---|-------------------------|-------------------------|
| Current and call accounts                           | \$ 2,716,695            | \$ 5,399,939            |
| Short term fixed deposits maturing within one month | 8,841,793               | 5,239,326               |
|   | <u>\$ 11,558,488</u>    | <u>\$ 10,639,265</u>    |

### 6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS

The Company's operating activities expose it to various types of financial risks that are associated with the financial instruments and markets in which it operates. These financial risks include credit and counterparty risk, liquidity risk and market risk (including currency risk and interest rate risk). The Company's overall risk management program focuses on minimising potential adverse effects on the Company's operations resulting from these financial risks. The exposure to, and management of, these risks are summarised below.

#### ***Credit and counterparty risk***

Credit and counterparty risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Financial instruments which potentially expose the Company to credit risk consist primarily of cash and cash equivalents and trade receivables.

#### *Cash and cash equivalents*

The Company held cash and cash equivalents of \$11,558,488 at 31 December 2024 (2023: \$10,639,265). The Company's cash and cash equivalents consists of balances held with three financial institutions in the Cayman Islands, one with an S&P rating of A2 (2023: A2), another with an S&P rating of A -1 (2023: A-1) and another with an S&P rating of A (2023: A).

The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of its counterparties, as such, no impairment has been recorded at 31 December 2024 and 2023.

#### *Trade receivables*

The Company's trade receivables do not contain any financing components.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

#### *Credit and counterparty risk (continued)*

##### *Trade receivables (continued)*

The Company does not require collateral in respect of trade receivables. The Company does not have trade receivables or contract assets for which no loss allowance is recognised because of collateral.

The Company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three months. During the year ended 31 December 2024, \$24,047 was written off as uncollectible (2023: \$20,113), relating to trade receivables which have been outstanding for a period longer than three months and are not expected to be collected.

#### **Trade receivables and contract assets**

An analysis of the credit quality of trade receivables that were neither past due nor impaired and the ageing of trade receivables that were past due but not impaired as at 31 December 2024 is as follows:

|                                       | <b><u>31 December 2024</u></b> | <b><u>31 December 2023</u></b> |
|---------------------------------------|--------------------------------|--------------------------------|
| 0-30 days (not past due nor impaired) | \$ 245,772                     | \$ 229,285                     |
| 31-60 days                            | 62,390                         | 92,645                         |
| 61-90 days                            | 63,507                         | 37,052                         |
| 91-120 days                           | 26,896                         | 14,757                         |
| Over 120 days                         | 195,326                        | 89,408                         |
|                                       | <b><u>\$ 593,891</u></b>       | <b><u>\$ 463,147</u></b>       |

As the Company provides listing services, its revenue is made up of small fees from many customers. As such, any failure of a customer to pay their fees would not have a significant impact on the financial statements of the Company.

#### ***Expected credit loss assessment***

The Company uses an allowance matrix to measure the ECLs of trade receivables from individual customers, which comprise a very large number of small balances. Loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

The following table provides information about the exposure to credit risk and ECLs for trade receivables and contract assets from individual customers as at 31 December 2024.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

### 6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

#### Age of impaired accounts receivable, and the resultant ECLs:

|                        | <u>% Loss</u><br><u>2024</u> | <u>31 December</u><br><u>2024</u> | <u>% Loss</u><br><u>2023</u> | <u>31 December</u><br><u>2023</u> |
|------------------------|------------------------------|-----------------------------------|------------------------------|-----------------------------------|
| 30 days & less         | 7%                           | \$ 18,597                         | 9%                           | \$ 23,077                         |
| 31-60 days             | 20%                          | 15,340                            | 20%                          | 23,446                            |
| 61-90 days             | 31%                          | 28,635                            | 30%                          | 16,173                            |
| 91-120 days            | 40%                          | 18,063                            | 45%                          | 11,901                            |
| Over 120 days          | 40%                          | 131,178                           | 45%                          | 72,100                            |
| Total estimated credit |                              | <u>\$ 211,813</u>                 |                              | <u>\$ 146,697</u>                 |

Loss rates are based on actual credit loss experience over the previous year. These rates are multiplied by scalar factors 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.

The movement in the allowance for credit losses in respect of trade receivables and contract assets during the year was as follows.

#### Movement in impairment allowances

|                                      | <u>31 December 2024</u> | <u>31 December 2023</u> |
|--------------------------------------|-------------------------|-------------------------|
| Balance at beginning of year         | \$ 146,697              | \$ 217,365              |
| Amounts written off as uncollectible | (24,047)                | (20,113)                |
| Movement in provision                | 89,163                  | (50,555)                |
| Balance at end of year               | <u>\$ 211,813</u>       | <u>\$ 146,697</u>       |

The following significant changes in the gross carrying amounts of trade receivables contributed to the changes in the impairment loss allowance during the year ended 31 December 2024:

- The write off of \$24,047, considered to have been provided for within the 31 December 2023 impairment allowances balance, included in the gross carrying amounts of trade receivables; and
- Due to the increase in revenues of \$604,294 from the year ended 31 December 2023, there was an increase in the gross accounts receivable as at 31 December 2024 as compared to 31 December 2023. Although there was a decline in loss rates, as per the table above, the overall provision increased reflecting the larger volume of receivables.

These changes resulted in a net increase in impairment allowances in 2024 of \$65,116 (2023: \$70,668).

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

*(expressed in Cayman Islands dollars)*

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### 6. FINANCIAL INSTRUMENTS AND ASSOCIATED RISKS (continued)

#### ***Liquidity risk***

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

The Company's primary financial liabilities are accounts payable and dividend payable. The Company monitors current assets and liabilities to ensure that it has sufficient liquid assets to be able to meet its future expected cash outflows. All of the Company's current financial liabilities are contractually required to be paid within one year.

#### ***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 for the Company comprises two types of risk: currency risk and interest rate risk. The Company is not exposed to any other price risks.

#### **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company operates in the Cayman Islands and the main currencies of its operations are the Cayman Islands dollar ("KYD") and United States dollars ("USD"). The current monetary policy of the Cayman Islands Government is to maintain parity between the USD and the KYD, at an exchange rate of USD1:KYD0.82. Accordingly, there is currently no significant foreign exchange risk faced by the Company.

The only foreign currency monetary assets or liabilities held at 31 December 2024, were United States dollars as part of cash and cash equivalents in the amount of \$11,482,792 (2023:\$10,528,550). The impact of any fluctuation of foreign currencies would not have a material effect on the Company's net income and comprehensive income. As such, no currency risk sensitivity analysis has been prepared.

#### **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The only financial instrument upon which changes in interest rates could have an impact is a fixed deposit, renewed monthly, in the amount of \$8,841,793 (2023: \$5,239,326) which is shown on the Statement of Financial Position as part of cash and cash equivalents. As the financial instrument is short-term in nature and a fixed rate is set at each monthly renewal of the fixed deposit, interest rate fluctuations would not significantly impact the Company's future cash flows. As such, no sensitivity analysis for interest rate risk has been prepared.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 7. LEASES

In September 2019, the Company entered into a 10-year lease agreement to lease the existing office premises on the 3<sup>rd</sup> floor, SIX Cricket Square. On 17 January, 2023, the Company signed an Agreement to Lease Suite 2 on the 4<sup>th</sup> floor of an office building being constructed at Cricket Square, for a period of 10 years. This Lease would come into effect on the completion date of the building which is currently scheduled for 1 May 2025. The signing of the Agreement to Lease modified the original lease term of the existing office premises to 31 January 2025, at which point, the original lease agreement will continue on a month-to-month basis until the new office space becomes available for occupancy. The Company will terminate its current lease upon commencement of the new lease. A lease modification was reflected in the right of use assets and lease liabilities during the year ended 31 December 2023.

The Company discounted the lease payments using its incremental borrowing rate at 1 January 2019. This rate was provided by The Ministry of Finance and Economic Development. The Prime Rate of 4.75% in the Cayman Islands was applied as the incremental borrowing rate. The Prime Rate was chosen on the basis that if the Company was to borrow, with the Cayman Islands Government's intervention and assistance, the Company would be able to secure borrowing at the Prime Rate. On modification of the lease an incremental borrowing rate of 3.25% was applied.

The right of use asset recognised (net of depreciation) is \$5,708 as at 31 December 2024 (2023: \$74,132). The depreciation charge is recorded on the statement of comprehensive income as an expense.

The following table sets out the movement in the right-of-use asset.

|                                 | <u>31 December</u><br><u>2024</u> | <u>31 December</u><br><u>2023</u> |
|---------------------------------|-----------------------------------|-----------------------------------|
| <b>Cost</b>                     |                                   |                                   |
| Opening                         | \$ 328,679                        | \$ 634,821                        |
| Lease modification              | -                                 | (306,142)                         |
| Closing                         | <u>328,679</u>                    | <u>328,679</u>                    |
| <b>Accumulated Depreciation</b> |                                   |                                   |
| Opening                         | (254,547)                         | (186,118)                         |
| Charge for the year             | (68,424)                          | (68,429)                          |
| Closing                         | <u>(322,971)</u>                  | <u>(254,547)</u>                  |
| <b>Net book value</b>           | <u>\$ 5,708</u>                   | <u>\$ 74,132</u>                  |

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

### 7. LEASES (continued)

The following table shows the movement in the lease liability for the year:

|                              | <u>31 December</u><br><u>2024</u> | <u>31 December</u><br><u>2023</u> |
|------------------------------|-----------------------------------|-----------------------------------|
| Opening                      | \$ 88,041                         | \$ 460,149                        |
| Lease modification/additions | -                                 | (296,694)                         |
| Interest expense             | 1,795                             | 3,992                             |
| Lease payments               | (82,527)                          | (79,406)                          |
| Closing Balance              | <u>7,309</u>                      | <u>88,041</u>                     |
| Less: current portion        | (7,309)                           | (81,024)                          |
| Non-current portion          | <u>\$ -</u>                       | <u>\$ 7,017</u>                   |

The maturity analysis (contractual undiscounted cash flows) of the lease liability is disclosed below:

|                       | <u>31 December</u><br><u>2024</u> | <u>31 December</u><br><u>2023</u> |
|-----------------------|-----------------------------------|-----------------------------------|
| Within one year       | \$ 7,309                          | \$ 81,024                         |
| Two to three years    | -                                 | 7,017                             |
| More than three years | -                                 | -                                 |
| Total                 | <u>\$ 7,309</u>                   | <u>\$ 88,041</u>                  |

### 8. SHARE CAPITAL

The authorised and issued share capital of the Company is \$100,000 divided into 100,000 shares of \$1 each. All of the shares were exclusively subscribed on behalf of the Government by the Authority in 1996 in accordance with the Stock Exchange Company Act (2014 Revision).

The Company is required to comply with The Public Authorities Act, (2020 Revision), (the "PAA").

Section 36(1) of the PAA requires public authorities to pay an annual capital charge for the use of equity invested by the Government in the Company. The capital charge is set by the Minister of Finance and Economic Development ("the Ministry") after consultation with the Company's Board. Based on past practice, the Company expects that the applicable rate for the 2024 financial year will be set at 0% (2023: 0%) and that no capital charge will be payable for 2024 (2023: \$0). Going forward, the Company may be required to pay a capital charge in accordance with the PAA for future equity investments by the Government.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 8. SHARE CAPITAL (continued)

Section 39(2) of the PAA requires that any surplus cash exceeding three months' reserve should be paid to the Cayman Islands Government, unless directed otherwise by Cabinet, after consultation with the Company's Board. In prior years, Cabinet has exempted public authorities from paying over surplus cash reserves and the Company expects that a similar exemption will be made in respect of its surplus cash reserves as at 31 December 2024.

Under Section 39(3) of the PAA, the Company is required to pay dividends in accordance with the formula established by the Ministry after written consultation with the Company's Board, unless otherwise directed by Cabinet. The Company has calculated and provided for a dividend of \$819,233 payable for the year ended 31 December 2024 (2023: \$985,125) in accordance with the formula set out by the Ministry.

### 9. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern without additional funding from the Government. The Company's overall strategy remains unchanged from the year ended 31 December 2023. The capital structure of the Company consists of issued shares, additional paid-in capital and retained earnings. The Company has no externally imposed capital requirements.

### 10. PERSONNEL

Personnel expenses consist of the following:

|                          | <b>Year ended<br/>31 December 2024</b> | <b>Year ended<br/>31 December 2023</b> |
|--------------------------|--|--|
| Salaries                 | 912,484                                | 898,393                                |
| Health Insurance         | 132,900                                | 124,212                                |
| Pension costs            | 110,358                                | 111,399                                |
| Other personnel expenses | 17,354                                 | 8,611                                  |
|                          | <u>\$ 1,173,096</u>                    | <u>\$ 1,142,615</u>                    |

Included within personnel expenses are the salary, defined contribution pension plan and healthcare payments made to and on behalf of the seven members of staff employed during the year (2023: seven). Total remuneration for the Company's three key management personnel was \$675,490 for the year ended 31 December 2024 (2023: four key management personnel \$804,648) which includes the employer's portion of pension expenses. No performance payment scheme was approved by Cabinet for the year ended 31 December 2024 or 2023.

# THE CAYMAN ISLANDS STOCK EXCHANGE LTD.

## Notes to Financial Statements

for the year ended 31 December 2024

(expressed in Cayman Islands dollars)

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### 11. PENSION SCHEME

As required by the Public Services Pension Act of the Cayman Islands, the Company has established for its employees a defined contribution pension scheme with the Cayman Islands Pension Board. The law provides for a mandatory contribution rate of 12 per cent of the employee's salary, all paid by the Company. The total pension cost recorded during the year ended 31 December 2024, was \$110,358 (2023: \$111,399). This represents the employer's portion and is included in personnel expenses reported in note 10.

### 12. MARKETING, TRAVEL AND SUBSISTENCE

Marketing, travel and subsistence largely consists of promotional costs of the following:

|                                | <b>Year ended</b><br><b>31 December 2024</b> | <b>Year ended</b><br><b>31 December 2023</b> |
|--------------------------------|--|--|
| Conferences                    | 127,148                                      | 122,667                                      |
| Advertising, promotional costs | 5,590  | 1,130  |
|                                | <u>\$ 132,738</u>                            | <u>\$ 123,797</u>                            |

Conference costs of \$127,148 (2023: \$122,667) relate to costs for the attendance of conferences in, Dana Point (California), Las Vegas, Miami, Hong Kong and Singapore.

### 13. RELATED PARTIES

Related party transactions consist of payments made to council members and transactions to entities with a common director. Payments to Council members of \$144,000 (2023: \$128,000) made in the year ended 31 December 2024 are included in legal and professional fees in the statement of comprehensive income for their expertise and input into the quarterly board meetings. Listing Agent annual fees of \$28,700 (2023: \$28,700) were received from a Listing Agent with a common director.

### 14. SUBSEQUENT EVENTS

Management has evaluated the possibility of subsequent events existing in the Company's financial statements through 29 April 2025, the date the financial statements were available to be issued. On the 13 December 2024 the Company's Board approved a 5% cost of living adjustment ("COLA") effective from January 2025. Management has determined that there are no further material events that would require disclosure in the Company's financial statements.

### 15. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Stock Exchange Council and authorised for issue on 29 April 2025.