Working together towards a

sustainable future

SUSTAINABILITY REPORT 2023

DSE
Creating Opportunities

About the Report

Our Sustainability Report provides a comprehensive account of the Exchange sustainability performance in relation to its material matters.

This sustainability report highlights our approach to building a sustainable operation with consideration of our material sustainable factors.

This Sustainability Report has been prepared in adherence to the guidelines on sustainability reporting for listed companies as prescribed in the DSE listing rules and based on some elements of the Global reporting initiatives (GRI). The Report has been approved by the DSE Board of Directors.

Save the environment, do not print. To eliminate paper wastage our sustainability reports is only made available via soft copy.

Our Reporting Processes

A dedicated reporting team has studied the requirements of the relevant reporting framework and guidelines and conducted content planning in determining the matters that are integral for the preparation of this report. The report has undergone an internal validation process through the alignment of the Exchange's risk and compliance review. This allows for dedicated monitoring and oversight, ensuring a robust reporting process is in place and the integrity of information disclosed.

In this **Report**

Introduction

The Dar es Salaam Stock Exchange PLC (DSE) was incorporated in 1996 and it became operational on 15th April 1998 when TOL Gases Ltd was listed. The DSE is a marketplace where financial instruments are traded. The Exchange is the secondary market that avail long term and affordable capital to companies (productive users) from investors (idle holders/savers).

Currently the DSE has 28 listed companies of which 22 are local companies and 6 are cross-listed companies. As of 31st December 2023, the DSE's domestic market capitalisation was TZS 11.4 trillion (TZS 10.3 trillion in 2022), outstanding listed Government bonds worth TZS 20.2 trillion (16.9 trillion in 2022) and corporate bonds worth TZS 538.33 billion (TZS 144 billion in 2022) and USD 73 million.

In 2016 DSE became a Partner Exchange in the UN-Sustainable Stock Exchanges Initiative, which among others requires stock exchanges to embrace and to prioritize Sustainability issues and require their members to aline.

Amongst major achievements made by the Exchange includes

1996

Incorporation of the Dar es Salaam Stock Exchange and approval of Stock Exchange Rules

1998

Operationalisation of the DSE with the first privatization and listing of state-owned entity

1999

Installation of the Central Depository System at the Exchange

2002

Listing and start of trading of Treasury Bonds at the Exchange

2003

DSE recognised as a National Securities Numbering Agent by ANNA

2004

The first foreign (airline) company cross-listed at the DSE

2006

Deployment of Automated Trading System linked with the Central Depository System

2008

Listing of the first commercial bank

2011

Listing of the first mining company

2013

Launching of the second-tier market:
- Enterprise Growth Market (EGM) segment

Listing of the first company on EGMs

2014

Migration to the new Automated Trading System and Central Depository System

Deployment of ATS on the Wide Area Network and start of remote trading by brokers

Uplifting of Foreign Investors Limits Restrictions

Introduction of DSE Scholar Investment Challenge

2015

Implementation of Disaster Recover Site (DRS)

Introduction of the regulatory framework and use of mobile phone technology in IPOs (Equity) and Secondary Trading.

Demutualization of the DSE

2016

DSE IPO and Self-Listing

Attaining a Partnership Status to the United Nations Sustainable Stock Exchanges initiative

DSE Initiated the DSE Members Award.

2017

Integration of DSE Central Depository System and Bank of Tanzania Central Depository

DSE listing of the first telecom company in the country.

2018

Full operationalization of the Subsidiary Company, CSDR Company Ltd

2019

Attaining full membership to the World Federation of Exchanges (WFE)

Introduction of DSE Enterprise Acceleration Program to build SMEs capacity

Classified as a Frontier Market status

2020

Re-launching of DSE Hisa Kiganjani – Mobile Trading Platform

The first listing of a company by Introduction

2022

Listing of the first sustainable and Shariah compliant bonds

What we do

The principal activity of the DSE is to provide securities market to investors who intend to invest in the listed securities.

The Exchange provides a trading platform that facilitate price discovery, liquidity and dissemination of market information. As the primary securities exchange in the country, DSE has developed an array of market segments that attract both domestic and international investors.

Equity Markets

Main Investment Market segment (MIMs):

The MIMs is the main equities market where companies list their shares for trading.

There are 16 companies listed on the segment.

Enterprise Growth Market segment (EGMs):

The EGMs is tailored for small and medium-sized enterprises (SMEs) looking to raise capital and expand their operations.

There are 6 companies listed on the segment.

Debt Market

Fixed Income segment (BondsMarket):

DSE's Fixed Income Market caters for listing and trading of Government, corporate and sustainable bonds.

Non-trading SME Acceleration Segment (ENDELEZA):

The segment fis or profiling and linking SMEs with private financiers.

There are 16 companies listed on the segment.

As the Tanzanian economy evolves, DSE is poised to play an even more integral role in financing growth and providing investment opportunities. The exchange is posed to continue driving more diverse of products range and supporting the Government on its plans to enhance governance and provision of capital to State Owned Enterprises.

Chairman's **message**

Dear Stakeholders

On behalf of the DSE Board of Directors, We are delighted to present to you our 2023 Sustainability Report. Our sustainability journey is guided by our mission to provide sustainable investment opportunities and returns which create long-term value for all our stakeholders. We therefore recognise the challenges facing our planet and society and we are committed to playing our part to address them.

As an organisation whose mandate is to provide a trading platform facilitate price discovery, liquidity and dissemination of market information , the trust to our market is incredibly important. We have integrated sustainability into our daily operations and ensure that the same is embedded in the business practices of our members. This is to ensure we continue to build a sustainable and resilient economy.

Our ESG strategy is centred around certain Sustainable Development Goals (SDGs) informed by the highest-priority sustainability issues facing our company, market and communities, as well as from global best practices such as the UN-Sustainable Stock Exchanges Initiative (UN-SSE). These goals are aimed at achieving sustainability both within the organisation and across our market. They also inform how we report on progress against these interconnected goals. The SDGs we've adopted are:

- **Gender equality**
- **Decent work and economic growth**
- **Responsible consumption and production**
- **Climate action**
- **Partnerships for sustainability goals**

We have made significant progress towards these goals by supporting listed entities with sustainability trainings and continue to partner with organisations on sustainability related initiatives such as the Ring the Bell for Gender Equality.

The Exchange continues to promote sustainability related capital raising and is proud to have followed up the 2022 listing of the gender focused Jasiri bond and the launch of the country's first ever green bond, the Kijani bond, in 2023. The bond encourages financial inclusivity with a minimum investment of Tsh500,000 ($208), with the proceeds going towards supporting environment-friendly projects in the country.

We are guided by our values and commitment to ethics and transparency. We champion a culture of inclusion and belonging, recognising the power of diversity in driving innovation in our organisation and the market as a whole. To that end, we have set reporting requirements for our members on gender inclusivity and set targets within our organisation to increase women representation.

While we are proud of the progress we have made, we are mindful that advancing our environmental, social and governance goals is a continuous journey of improvement. In 2024, we remain focused on our commitment to delivering a sustainable impact for our economy, society, and our planet.

Dr. Ellinami Minja
Chairman of the Board

Board of **Directors**

Dr. Elinami Minja
Board Chairman

Mrs. Mary S. Mniwasa
Acting C.E.O

Dr. Abdiel Abayo
Board Member

Mr. Fadhili J. Manongi
Board Member

Ms Beng'i Issa
Board Member

Mr. Layson Mwanjisi
Board Member

Mr. Deogratias Laballa
Board Member

Mr. Selestine J. Some
Board Member

Chief Executive Officer's message

Dear Stakeholders

DSE plays a key role in enabling sustainable growth for our members, partners and the communities we operate. We have been actively engaging and partnering with regulators, policy makers, our members, partners and other stakeholders towards developing credible and orderly action plans to promote sustainability practices in our market.

We are deeply committed to using our position to contribute to the development of effective policy frameworks to promote best practice sustainability culture in the market. We see sustainability as a strategic opportunity that will open gateways across the global marketplace, while also adding significant credibility in our marketplace.

The theme of our 2023 Sustainability Report, 'Working together towards a sustainable future' aims at communicating with our stakeholders our strong commitment to working collaboratively with all relevant market players to achieve operational excellence and promote best practices on sustainability issues.

Collaboration will be critical to addressing the most pressing challenges facing the world today. Governments, businesses and societies need to work together to design and support practical solutions to bring positive changes to our societies.

We will continue to focus on establishing partnership agreements with important institutions in Africa and across the world to promote the sustainable finance agenda and strengthen cross-border collaborations in support of sustainable development.

As part of our mission to enhance transparency and the access to information on companies' sustainability goals and performance, we incorporated sustainability reporting guidelines into the DSE Rules with the aim of ensuring that listed companies provide high quality sustainability disclosures as part of their corporate reporting. This will continue to be a key focus area for us, and we have put monitoring and support mechanisms to assist companies in their sustainability reporting journey.

We prioritize sustainability in every aspect of our strategy, operations and risk assessments in order to achieve long term value for our stakeholders. We believe that the SDGs are an important set of relevant goals that will lead to a more sustainable society, improve quality of life, and help ensure a prosperous future for everyone. To balance the needs of the society, the environment and the economy, we will continue to act and embed a sustainable approach in our operation, creating superior value for all of our stakeholders.

While we are very committed to enabling sustainable growth through our external activities and initiatives, we also have a strong focus on embedding sustainability within our operation. We continuously engage with our stakeholders – including our employees, members, suppliers, investors, partners and regulators – to understand the relevant sustainability issues for them and have embarked on a plan to address these issues.

I would like to thank our many stakeholders including listed companies, members, partners, and investors for their trust and support for DSE. I would also like to express my deep appreciation to our dedicated employees who are contributing actively to our sustainability journey. Together, we are leading the way to build a sustainable future.

MsMary S. Mniwasa
Acting C.E.O

Managing Director of CSD & Registry message

Dear Stakeholders

The year 2023, marked the first year of implementation of CSD & Registry Company Limited (CSDR) Five-Year Strategic Plan (II) for 2023-2027, the current year we witnessed increase in both equity and bonds turnovers.

Strategic plan progress

Our Strategic objectives for the next year aligns with our mission of continous progress.

We will pursue continuous improvement in our registry system, win more registry clients, both listed and unlisted, and expand the range of CSDR services offered. We will clarify our legal position and update CSD rules with CMSA and stakeholders. We'll review Tanzanian CSD with custodian banks against frontier markets and collaborate with DSE for new business lines. We will establish capacity-building partnerships with other CSDs and revise our fee structure. Additionally, we will supplement ISIN with LEI business and aim to increase revenues to 30% of DSE group income over five years. Strengthening CSDR capabilities and enhancing IT services for cybersecurity are also key priorities.CSDR has managed to achieve the equity turnover of 2.25% of the domestic market capitalization, bonds turnover of 19% of the outstanding Government bonds, in areas of ICT, CSDR managed to enhance and update all systems, this includes the implementation of E-statement to CSD clients, CSDR participated in different international forums organized by East Africa Securities Exchange Association (EASEA), Africa and Middle East Depositories Association (AMEDA) and World Forum of CSDs (WFC).

Operational Performance

In 2023, on the CSD operations, CSDR admitted 5 Corporate Bonds and 29 Government Bonds. Notably, there was no equity instruments admitted during the year. The turnover for equities, Government Bonds, and Corporate Bonds witnessed improvement compared to the previous year. On other hand on the registry services operations, during the year CSDR managed to process dividend of 7 companies that generated income of TZS 316 million, managed to handle 6 Annual general meetings that generated income of TZS 102 million, offering registry service to contractual clients which generated income of TZS 98 million.

Financial performance

CSDR's financial performance for 2023 exhibited significant improvement, attributed to increased liquidity in equity and bond trades. The Company recorded a total revenue of TZS 2,036 million, which is 17% of the group total revenue and managed to record profit before tax of TZS 434 million (2022: TZS 161 million), marking a notable increase of 170% from the previous year. CSDR achieved a return on equity and assets of 21% and 15% respectively and reduce cost to income ratio from 89% to 77%, the plan is to attain accost to income ratio of below 55%.

Looking ahead to 2024

In 2024, as we embark on the second year of our strategic plan (II), CSDR aims to modernize registry services, enhance customer engagement, expand service offerings, ensure reliable clearing and settlement services, provide value-added services, enact legal reforms, monetize market data, foster an efficient financial ecosystem, deploy digital solutions, automate processes, adjust pricing with market participants, and optimize resource use through organizational restructuring.

Benitho Kyando
Managing Director

Head of Finance's message

> To be the leading platform for capital formation and investment, driving economic growth and sustainability in Tanzania and beyond.

Dear Stakeholders

As we reflect on the fiscal year 2023, I am pleased to report another year of strong financial performance for Dar es Salaam Stock Exchange Plc and its subsidiary Company, CSD & Registry Company Limited. Throughout the year, we have maintained a steadfast commitment to our financial objectives, achieving significant milestones despite a challenging economic environment.

Financial performance highlights

Key highlights include robust Group revenue growth of 21%, reaching TZS 12,229 million (2022: TZS 10,071 million), driven by improved equity and bonds turnover, increase in listing fee on Government bonds and efficient management of invested funds on both short term and long term deposits. Listing fee accounted for 38% of total revenue same as in 2022, transactions fees accounted 15% per cent compared to 12% in 2022, while investment income accounted for 28% of total revenue compared to 31% in 2022.

Group expenses increased by 16% to TZS 6,395 million (2022: TZS 5,536 million), mainly due to salary increments and increase in business developments activities during the year. Our diligent cost management initiatives have yielded notable efficiencies, contributing to an improvement in cost to income ratio of 52% (2022: 55%).

The Group has recorded a profit before tax of TZS 5,833 million, increase of 29% from previous year profit before tax of TZS 4,536 million and achieved the return on equity and assets of 19% and 17% respectively. Below is a summarized Group performance for the last three years.

In terms of liquidity and financial health, our balance

To be continued...

	Summary of Key Ratios			
Performance Indicator	**Calculate Method**	**2021**	**2022**	**2023**
Profit before tax (TZS Million)		4,037	4,536	5,833
Total Shareholder's Fund		26,139	28,137	31,070
Total Assets		29,164	31,529	34,818
Return on Equity	PAT/Equity	15%	17%	19%
Return on Assets	PAT/ Total Assets	14%	15%	17%
Cost to Income	Total cost/Total Income	54%	55%	52%

sheet remains strong, with total assets of TZS 34,818 million (2022: TZS 31,529 million), enabling us to fulfil and settle the future commitments that includes the acquisition of new office buildings at Morocco Square, investment in ICT infrastructures, payment of dividends to our esteemed shareholders. Additionally, we have continued to enhance shareholder value through dividend payouts, with a 2023 payout of 61% of Group after tax profit, that is equivalent to TZS 3,454 million and dividend per share of 145.

Looking ahead, while global economic conditions pose certain challenges, we are confident in our strategic initiatives and operational agility to drive sustained growth and profitability. We remain focused on executing our strategic priorities, including increasing number of listed companies, support the Government in implementation of Alternative Project Financing (APF), enhance systems and processes , Leverage on multiple income streams, and invest in people and talent management, to further strengthen our competitive position and deliver value to our shareholders.

LUCAS SINKALA
Head of Finance

Chief Technology Officer's message

Dear Stakeholders

I am pleased to present the technology update for Dar es Salaam Stock Exchange Plc for the fiscal year 2023. This year has been pivotal for us as we continued to innovate and enhance our technological infrastructure to meet the evolving demands of the financial markets.

ICT Strategy and Vision:

Throughout 2023, the Exchange focus remained steadfast on advancing our technology strategy to ensure scalability, reliability, and enhanced performance of our trading platforms. DSE ICT strategy focus on (i) automation of all business process within the Exchange (ii) Having a data warehousing (iii) prioritizing on business continuity and security management (iv) Improve efficiency and reduce the ICT costs.

Innovation and Development:

The Group is proud to report significant enhancement on the mobile trading platform (HISA kiganjani), this included MNOs integration to DSE mobile trading platform, this will allow investors to access the system in MNO's payment platforms.

Infrastructure and Operations:

In response to the increasing demands of high-frequency trading and growing market volumes, we undertook strategic upgrades to our infrastructure. This included expanding our data center capabilities, improving our networking and connectivity, and enhancing disaster recovery protocols to ensure uninterrupted market operations.

Cybersecurity and Risk Management:

Maintaining the integrity and security of the Exchange systems remains a top priority. In 2023, we strengthened our cybersecurity posture through comprehensive risk assessments, regular penetration testing, and the deployment of advanced threat detection mechanisms. The Group proactive approach to cybersecurity ensures that the Exchange remains resilient against evolving cyber threats.

Collaboration and Partnerships:

The Exchange continued to foster collaborations with leading fintech firms and technology providers to drive innovation and address industry challenges collaboratively. These partnerships have enabled us to introduce new trading functionalities and expand our service offerings, enhancing the value proposition for our market participants.

Regulatory Compliance:

Adherence to regulatory standards remains fundamental to our operations. Throughout the year, we remained vigilant in ensuring compliance with regulatory requirements, adapting swiftly to regulatory changes and enhancing our internal controls to uphold market integrity and investor confidence.

Future Outlook:

Looking ahead, the Exchange is committed to further advancing our technological capabilities. The Group will continue to invest in innovative solutions, expand our digital footprint, and embrace emerging technologies to anticipate market trends and meet the evolving needs of our stakeholders.

ALI OTHMANI
Chief Technology Officer

Management


Mrs. Mary S. Mniwasa
Acting C.E.O


Mr. Benitho Kyando
Managing Director
DSE Subsidiary (CSDR)


Ms. Sara Mrema
Head Surveillance
& Market Control


Mr. Lucas Sinkala
Head of Finance


Mr. Ali Othman
Chief Technology
Officer


Ms. Happines Mushi
Head of Risk and
Compliance


Mr. Mecklaud Edson
Chief Internal Auditor


Mr. Emmanuel Nyalalli
Acting Director of
Business Development


Ms. Atuwene Luvinga
Head of Human
Resource

Head of Information Services & training's **message**

Dear Stakeholders

In the bustling heart of Tanzania's economic capital, the Dar es Salaam Stock Exchange (DSE) Academy was born with a vision: to become a beacon of financial education in East Africa. The journey began humbly, with a handful of ambitious professionals and students eager to deepen their understanding of finance and investments.

The academy's first major milestone came with the launch of its Chartered Financial Analyst (CFA) classes. These classes were meticulously designed to prepare candidates for the rigorous CFA exams, offering comprehensive coverage of the curriculum and practical insights from seasoned industry experts. The response was overwhelming; aspiring analysts from all over the country flocked to enroll, transforming the academy into a vibrant hub of learning and professional growth.

As the academy's reputation grew, so did its ambitions. In a historic development, the DSE Academy achieved accreditation as an official exam center for the ACI Financial Markets Association (ACI FMA). This accreditation marked a significant step forward, allowing local and regional candidates to sit for the prestigious ACI FMA exams in Dar es Salaam. The academy's state-of-the-art facilities and commitment to excellence were recognized on an international scale, further solidifying its status as a premier institution for financial education.

Building on this momentum, the DSE Academy sought to foster deeper connections within the financial community. This led to the signing of a Memorandum of Understanding (MoU) with the Institute of Directors Tanzania. The MoU outlined a strategic partnership aimed at promoting good governance and ethical practices in the corporate sector. Through joint programs, workshops, and seminars, the two organizations committed to enhancing the leadership capabilities of Tanzania's business leaders and directors.

These achievements transformed the DSE Academy into a cornerstone of financial education in the region. The academy's alumni went on to excel in various fields, contributing to the growth and sophistication of Tanzania's financial markets. The DSE Academy's story became a testament to the power of education, collaboration, and vision in driving progress and creating lasting impact.

As the sun set over Dar es Salaam, the academy's classrooms remained lit with the enthusiasm and dedication of its students. The journey was far from over, but with each milestone, the DSE Academy edged closer to its dream of shaping the future of finance in East Africa.

BRIGHTON KINEMO
Head of Information Services & Training

Head of Trading and Market Operation's message

Dear Stakeholders

I am pleased to present an overview of the Dar es Salaam Stock Exchange market performance for the year 2023, highlighting key trends, challenges, and achievements in the trading environment.

Market Overview

The year 2023 presented a dynamic and evolving landscape for financial markets globally. Despite initial volatility and uncertainties stemming from geopolitical events i.e. Russia and Ukraine war, the markets exhibited resilience and demonstrated notable recovery and growth trajectories throughout the year.

Key Market Trends

1. **Equity Markets:**

   Equity markets experienced robust performance driven by strong corporate earnings, fiscal stimulus measures, and investor optimism. Major indices such as Share Index (TSI) rose from 3,881.89 points in 2022 to 4,304.4 points in 2023. This represents a significant increase of 11% year-on-year return. The improvement in TSI was driven by the appreciation in share prices of domestic companies such as TCCL, NICOL, NMB Bank, TICL, CRDB Bank, and DSE. A reached new high during the year, reflecting investor confidence and appetite for risk assets.

   All Share Index (DSEI) closed at 1,750.63 points in 2023, marking a 7% decrease from 1,881.99 points in 2022. This index experienced a decline due to price changes for cross-listed companies such as KCB, EABL and JHL.

Equity Market Liquidity

Equity trading turnover in the year 2023 was TZS 225bn which was an increase of 68% compared to the transaction turnover value of TZS 134bn as of 2022. On the shares traded, a volume of 188 million shares exchanged hands compared to 169 million shares in 2022. Enhanced mobile trading platforms, increased local and foreign investor participation and good performance of listed companies contributed to the increased liquidity.

2. **Fixed Income:**

   In 2023, the fixed income segment of the DSE demonstrated notable improvement, fixed income securities emerged as a preferred asset class for investors seeking stability and predictable returns. Central bank policies, including accommodative monetary measures and interest rate adjustments, provided a supportive backdrop, influencing bond yields and enhancing the attractiveness of fixed income investments. The total outstanding Government bonds in 2023 increase by 19% to TZS 20,236 billion from TZS.16,944 billion in 2022. On the other side, total outstanding corporate bonds in 2023 were TZS.538.33 billion and USD 73 million which was an increase of 274% when compared to TZS.144 billion in 2022. Total turnover in the bond market segment amounted to 3,930bn. This represents an increase of 29% compared to TZS 3,045bn in 2022.

   The rise in turnover was caused by improved secondary market activities including new listing of bonds and public awareness. Furthermore, robust demand from institutional investors and strategic allocations towards diversified fixed income portfolios contributed to increased trading volumes and liquidity in the market. The year witnessed resilient performance across government bonds and corporate bonds with the listings of two largest sustainable bonds from NMB and CRDB bank Plc.

   Looking ahead, the fixed income segment is poised to maintain its momentum, driven by ongoing economic recovery efforts and continued investor demand for income-generating assets in a low-interest-rate environment

Outlook for 2024

The Exchange is optimistic of the future outlook for both the equity and fixed income market segments as we move into the upcoming year. For the equity markets, the ongoing revision of DSE rules to unlock liquidity, continued corporate earnings growth, coupled with favorable economic indicators and ongoing fiscal stimulus measures, are expected to support further appreciation in stock prices.

Similarly, in the fixed income markets, the Exchange expects sustained demand for bonds driven by stable interest rates. Central banks’ efforts to manage inflation expectations are likely to provide a supportive backdrop for fixed income securities. Institutional investors and individual investors alike are expected to continue diversifying their portfolios with high-quality bonds, contributing to healthy trading volumes and liquidity.

SARAH MREMA
Head of Trading and Market Operations

Our approach to **sustainability**

Our approach to sustainability is embodied by Exchange's vision and mission. Our purpose guides business decisions, unifies people, and continues to be the driving force in everything we do.

Our approach to sustainability takes into consideration the expectations of our stakeholders, and the Environmental, Social and Governance (ESG) initiatives that are most material to our industry.

Our vision:

A preferred avenue for capital raising and sustainable investment.

Our mission:

Maximize stakeholder's value by providing sustainable investment opportunities and an efficient allocation of capital. At the heart of our sustainability approach, we consider our core values:

- **Professionalism:** We demonstrate high skill and competence in performing out through our conduct and attitude, to ensure quality services that meet stakeholder's expectations.
- **Integrity:** We treat our customers and stakeholders fairly, and with courtesy. We are ethical while discharging our duties and uphold confidentiality.
- **Teamwork:** We utilize expertise in achieving our goals.
- **Innovation:** We develop new methods and come up with ideas that result into positive impact in the sector and the economy.
- **Accountability:** We are responsible for the actions and decisions we make in the course of performing our duties.

Environment

We acknowledge that it is our common responsibility to address the environmental challenges that we face, and we recognise our responsibility to help minimise environmental impact.

Governance

We will continue to uphold the highest standards of integrity in adherence to the best practice corporate governance principles in an effective manner.

Social impact

We commit to give back to our people and communities primarily by addressing various social challenges.

Materiality assessment

We conducted our first materiality assessment exercise to identify key material topics for our stakeholders and business. Our four-step approach for assessing material issues involved:

Stakeholder Identification and engagement

Identify relevant sustainability matters.

Data Collection and Analysis

Reporting

Stakeholder identification and engagement: This step involves identifying the key stakeholders by mapping their interests with our activities and determining their role and impact on our organisation. The stakeholders identified were investors, vendors/suppliers, NGOs and communities, management, employees, Government, Regulators listed companies and issuers of other listed securities

We engage in a transparent dialogue with our key stakeholders, and we interact regularly with Government and civil-society organizations, as well as communities and external partners.

Identify relevant sustainability matters: This was done through engagement with our key stakeholders, industry benchmarking and peer review.

Includes explanantion on data collection and analysis and reporting

Data collection and Analysis-Once sustainability matters are identified, they must be analyzed to inform decision-making. This step entails the identify trends, patterns, and areas for improvement in their sustainability performance. This information can then be used to develop strategies and goals for addressing material issues.

Reporting-This final step entails reporting on the results of the analysis to various stakeholders, which offers a number of advantages, including increased stakeholder trust and competitiveness. Creating a sense of belonging leads to building trust with stakeholders and establishing a commitment to sustainability, while displaying great sustainability performance can provide a competitive edge in the marketplace.

Our material topics

DSE remains committed to monitoring, managing, and reporting on material sustainability issues. As part of our commitment to openness and transparency, we regularly conduct a formal, independent materiality assessment to ensure we are addressing those topics of greatest relevance, for our key stakeholders, society, and the environment.

We interact with a range of stakeholders to ensure that their perspectives are considered in the development of our corporate strategy and sustainability plans and objectives.

Our vision is to lead by example in how we manage our own sustainability strategy by embedding sustainability initiatives into our overall business strategy and operations, and by considering a wider and more complex set of ESG topics.

Material topics

Environment

- Managing our environmental impact
- Investing in clean technologies
- Sustainable financing (renewable energy financing)
- Positive environmental impact through community initiatives
- Waste and water management
- Energy efficiency and energy management

Social impact

- Financial Inclusion
- Training and education
- Gender diversity and inclusion
- Employee wellbeing (Health and safety)
- Talent management and succession planning
- Privacy & data security
- Employee engagement

Governance

- Our efforts towards better disclosure in the market
- Developing our people
- Gender equality
- Reinforcing our ethics
- Business Ethics and managing conflict of interest
- Board composition and diversity
- Board succession planning
- Board remuneration
- Anti bribery
- Risk management, transparency and accounting

In preparation for this materiality reassessment, we have reviewed our material topics to understand potential gaps and emerging sustainability issues.

Based on our engagement with internal and external stakeholders, we will continuously update our list of material topics in line with the requirements of relevant sustainability reporting standards and applicable regulations.

Linkage to SDGs

Through the various initiatives that drive our sustainability goals and ambitions, we are simultaneously contributing to several UN SDGs. We have identified the following SDGs which are applicable to stock exchanges as recommended by UN-Sustainable Stock Exchanges Initiatives to which we contribute through our various actions and activities:

Goal 5
Gender Equality

The DSE shall strive to ensure gender equality through ensuring a) equal representation in staffing patterns; b) career development opportunities that are afforded to both women and men. This may include such activities as formal mentoring and coaching; c) sufficient effort is made, where appropriate so that candidates of both genders are given equal consideration for available positions; and d) Developing and/or reviewing existing policies, procedures, and systems to ensure that they support a gender-sensitive work environment.

Goal 8
Decent work and Economic Growth

DSE shall ensure decent work and Economic growth through: Promoting development and or enhancement of policies and products that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro, small and medium sized enterprises, including ensuring access to financial services (financial inclusion).DSE is also used as a tool for inclusive economic growth, economic empowerment, shared prosperity and financial inclusion.

Goal 12
Responsible Production and Consumption

The DSE shall ensure responsible production and consumption through: Promoting mandatory Sustainability Reporting by ensuring that DSE and its members (listed companies) adopt sustainable practices as well as integrate sustainability information into their reporting through the mandatory requirement of all listed companies to submit to the DSE Sustainability reports on an annual basis.

Goal 13
Climate Action

The DSE shall strive to ensure gender equality through ensuring a) equal representation in staffing patterns; b) career development opportunities that are afforded to both women and men. This may include such activities as formal mentoring and coaching; c) sufficient effort is made, where appropriate so that candidates of both genders are given equal consideration for available positions; and d) Developing and/or reviewing existing policies, procedures, and systems to ensure that they support a gender-sensitive work environment.

Goal 17
Partnerships for the Goals

DSE shall ensure creation and enhancement of partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies, and financial resources to support the achievement of sustainable development goals at DSE.

UN SDG's

Our material topics:	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCE INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Managing our environmental impact													✓				
Investing in clean technologies									✓		✓	✓					
Sustainable financing (renewable energy financing)												✓	✓				
Positive environmental impact through community initiatives											✓	✓	✓				
Waste and water management																	
Energy efficiency and energy management												✓	✓		✓		
Financial Inclusion	✓	✓			✓					✓							
Training and education	✓	✓		✓													
Gender diversity and inclusion	✓	✓								✓							
Employee wellbeing (Health and safety)			✓														
Talent management and succession planning																	
Privacy & data security																	

UN SDG's

Our material topics:	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCE INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS
Employee engagement												✓					✓
Reduce inequality	✓	✓			✓					✓							
Occupational Health and Safety			✓					✓									
Our efforts towards better disclosure in the market																	✓
Developing our people				✓								✓					✓
Reinforcing our ethics																	
Business Ethics and managing conflict of interest								✓				✓					✓
Board composition and diversity					✓			✓									✓
Board succession planning																	✓
Board remuneration																	✓
Anti bribery												✓					✓
Risk management, transparency and accounting												✓					✓

Our sustainability framework sets out the areas that hold the greatest potential for our operation connecting the UN SDGs to our material sustainability issues which encapsulate the key topics our stakeholders expect us to address.

Governance

The Board is collectively responsible for the long-term sustainable success of the Exchange. The Board of Directors has the ultimate responsibility for the Risk Management function in DSE including setting the tone and influence the culture of Risk Management within DSE. Other responsibilities of the Board of Directors include:

(i) To provide overall direction for setting the DSE Risk Appetite and ensure that the Risk Management Policy and other policies are consisted with and support the achievement of DSE's Strategic Objectives.

(ii) To determine the DSE's organizational structure; ensure an appropriate allocation of responsibilities and decision-making powers; and to see to it that internal control and risk management cover all activities of the DSE and are commensurate with the risks inherent in its different operations.

(iii) To ensure the Internal Audit function reviews and assesses the extent of management adherence to this Policy and its related Procedures.

(iv) To ensure conformity with all Statutory and Regulatory requirements; and

(v) To ensure that the Management possess adequate skills and competence to manage all business Inherent risks.

The Board has delegated to the management the authority to approve matters arising from the day-to-day operations of the Exchange within the limits and policies approved by the Board.

Our sustainability governance structure

We recognise that organisations face reputation risks arising from the inability to adequately address governance issues related to diversity, transparent disclosure and ethical conduct as well as compliance and alignment with standards on risk management, supply chain, human rights, data privacy and security. To address this, we continuously strengthen our governance practices through internal control systems, ensuring regulatory compliance, promoting transparency in decision-making, risk management systems and fostering a culture of ethical conduct.

We are committed to driving sustainable and inclusive practices in the market. We have embarked on a plan to embed considerations on ethics and conduct, people and culture, and environmental and social risk management into our corporate strategy and day-to-day decision-making. We consistently work to optimise the positive impact and mitigate the negative impact arising from our operations and activities.

Our sustainability governance structure

Board of Directors

- To approve the Sustainability Policy; and
- Provide Directives, Guidance and Oversight on any matter relating to Sustainability.

↓

Chief Executive Officer

- Monitor implementation of the Sustainability Policy.
- Ensure continuous improvement in environmental, social, and economic performance which goes beyond compliance.
- Promote sustainability awareness culture within DSE and its members through various trainings, partnerships. corporate events, DSE Rules; and
- Monitor and evaluate performance on a regular basis, using agreed targets and indicators.

↓

Heads of departments

- Ensure implementation of the sustainability policy in various areas as per the relevant SDG goals.
- Develop departmental targets for each relevant SDG goal falling under their functions; and
- Continuously work on the targets as per the SDG goals and report on semi -annual basis or when need be, on the progress.

↓

Sustainability Champion

- Ensure regular follow-up on the status of the various activities and targets with the Heads of Department; and
- Develop and update semi-annually the Sustainability checklist to ensure progress of the goals and targets.

Sound risk management and compliance

We understand that effective management of sustainability risks is a crucial driver of our sustainability initiatives and ambitions. In this regard, we have put measures and tools in place to assess and manage risks, and ensure a strong compliance culture throughout the organisation to prevent major disruptions that may harm our operation.

Sustainability matters have been integrated as part of our risk assessment framework.

Regular awareness sessions are carried out for employees on various sustainability issues such as managing environmental footprints, Anti Money Laundering (AML) and Politically Exposed Persons (PEPs).

Ethical, transparent and accountable business

We have developed a set of robust policies, procedures and controls aimed at preventing unlawful activities. We aim to carry out all our activities ethically and at the highest level of integrity.

We conduct our operations whilst upholding high standards of ethics, integrity, transparency and accountability throughout our operations to maintain stakeholders' trust in the organisation (i.e.: zero tolerance for bad conduct including corruption and bribery, sound grievance mechanisms, ensuring fair treatment of customers and clients, providing accurate and adequate information about our operations, etc.)

During the year 2023, all employees received training on code of conduct and anti-corruption, business continuity training and ICT security training.

Code of conduct

We expect our people to treat each other with dignity and respect, and have a zero-tolerance policy against bullying, harassment or any form of discrimination. Our Code of Conduct outlines the standards and behaviour expected of our employees when dealing with clients, business colleagues, shareholders, communities and each other. This, along with our framework for handling employee concerns helps us to maintain a consistently high standard of employee safety.

0 cases

of bullying, harassment or discrimination reported in the year.

All DSE employees are required to fill out a mandatory questionnaire on the Code of Conduct each year and attest to understanding and complying with it. DSE employees are personally and collectively responsible for upholding and promoting the highest ethical and professional standards in their work. This also applies to board members when representing DSE and other stakeholders such as temporary staff consultants and volunteers during their assignment with DSE.

The DSE's Code of Conduct:

The Code of Conduct outlines the key responsibilities of all Exchange employees in relation to respect for the welfare and rights of people whom they work and interact with within or outside the Exchange. It is designed to assist all staff to better understand the obligations placed upon their conduct, to prevent abuses such as Sexual Exploitation and Abuse (SEA), all forms of harassment, fraud and corruption, security breaches, and unethical behaviours and business practices. Therefore, all DSE employees shall always:

(a) Respect and promote fundamental human rights without discrimination.

(b) Treat all with whom we work fairly and with respect, courtesy,and dignity.

(c) Promote the implementation of the Code of Conduct by contributing towards the creation and maintenance of an environment that prevents sexual exploitation and abuse, abuse of power and corruption.

(d) Report immediately any knowledge, concerns or substantial suspicions of breaches of the Code of Conduct to her/his line manager/ supervisor and/ or senior management team

(e) Be aware that failure to disclose information about any reports, concerns or substantial suspicions constitutes grounds for disciplinary actions.

(f) Feel protected by Dar Es Salaam Stock Exchange Plc's commitment to providing a safe environment without fear of reprisal or unfair treatment.

(g) Uphold the highest standards of accountability, efficiency, competency, integrity and transparency in the execution of their job.

Conflicts of interest

The Board is committed to acting in the best interest of the Exchange, in good faith and without undue personal conflicts of interest. Board members owe their fiduciary duties to the Exchange and all Board decisions are consistently based on ethical foundations in line with our values.

At the beginning of each board meeting, all board members are required to declare any conflicts of interest in respect of matters on the agenda. Any such conflicts are proactively managed as determined by the Board and subject to legal provisions. Additionally, directors have a duty to avoid situations that could lead to conflicts of interest, such as appointment to positions.

In 2023, there was not any incidence of conflict of interest that was reported.

Raising concerns

We are committed to providing an open environment where our employees, investors and other third parties feel comfortable raising concerns about adherence to our Code of Conduct, relevant laws and regulations or if they consider something unethical or potentially harmful.

Concerns can be raised through various channels including anonymous means such as suggestion box and email communications.

As of the end of the year 2023, there were no unresolved complaints.

Promoting sustainable **practices in the market**

In recent years, we have seen a growing demand in the need for high quality sustainability disclosures from investors and issuers. Investors want to understand how issuers address the most pressing issues facing the world today including climate, demographic, social and technological change, and political developments.

As a channel between companies and investors, we distinctively positioned to promote more transparent and efficient capital markets that generate long-term value.

DSE plays an active role in promoting sustainable practices in Tanzania. A particular area of focus for us is around sustainability disclosure. In line with our goal of promoting sustainable financing in the country, the DSE has issued a set of comprehensive guidelines requiring listed companies and issuers of listed secuirities to provide sustainability disclosures. Effective from 2022, all listed companies were required to provide high quality sustainability disclosures as part of their corporate reporting obligation. The sustainability reporting guidelines is based on Global Reporting Initiative (GRI) which is one of the prominent sustainability reporting frameworks globally.

The DSE's sustainability reporting guidelines constitute a comprehensive roadmap for companies, investors and other stakeholders to integrate ESG considerations into their business-decisions, strategies and operations. The Exchange has carried out various stakeholders' engagement with regards to capacity building on the new sustainability products and the implementation of the DSE Rules 2022.

Investing in our communities

We recognise the importance of focusing on community engagement and investments that enhance financial literacy and understanding as well as provide access to financial services and knowledge so that no one is left behind.

We believe that in order to promote inclusive growth and create positive socioeconomic impacts, we need to invest in providing access to affordable products and services that meet the needs of underserved consumers including SMEs.

We have set ourselves a target of ensuring that all issuers of listed securities publish their sustainability report as per the requirement of the DSE rules.

We have put in place monitoring mechanisms to ensure compliance with this regulation. This includes quarterly periodic reviews for all issuers of listed securities.

DSE Members Awards

In building awareness and ensuring implementation of the SDGs by all DSE members, the DSE conducts the DSE Members awards every two years, the event is aimed at awarding the best companies implementing sustainable business practices.

DSE Members Awards is Programme that was introduced by DSE in 2016 with the main objective of fostering good practices in the Tanzanian capital markets. The programme aims at recognizing all market participants in their respective roles for excelling in the areas of Environment; Social Responsibility; Investors' protection; Sustainable Growth of their Business, Good Corporate Governance; as well as Transparency including engagements with investors, media and the public at whole.

The next event is planned for 2024 for all listed issuers of listed securities, licensed dealing members, brokers, custodian banks and nominated advisors.

The Areas of focus for the event will include:

(i) ESG and sustainability reporting

(ii) Environmental protection, social investment and good corporate governance

(iii) Compliance

(iv) initiatives taken to support growth of capital markets among others,

Around 62 market participants are expected to attend the event.

Active use of social media

We are committed to providing an open environment where our employees, investors and other third parties feel comfortable raising concerns about adherence to our Code of Conduct, relevant laws and regulations or if they consider something unethical or potentially harmful.

Concerns can be raised through various channels including anonymous means such as suggestion box and email communications.

Fostering the issuance of sustainable bonds

Creating a conducive environment for better sustainability practices.

In a time when climate change and sustainable development are in great demand, DSE provides an infrastructure for financial markets by supporting the development of sustainable finance. DSE continues to focus on facilitating transition to sustainable economy through issuance and listing of green bonds, social bonds, blue bonds, and sustainability linked bonds.

As a market infrastructure provider, we build a bridge between investors and the market. We have a strong focus on sustainable finance, and we strongly believe it is important for us to contribute positively to our surroundings. On this aspect we have pioneered the issuance of various green finance instruments in our market. These include the followings:

NMB's Jasiri Bond:

In 2022, NMB Bank's Jasiri Bond, the first ever Bond targeting gender empowerment was listed at the Exchange. It was also the first social bond to be offered by an East Africa Financial Institution. The net proceeds from the Bond were used to finance micro and small medium enterprises owned or led by women and businesses whose products or services directly impact women.

CRDB's Green bond:

In 2023 CRDB issued the country's first green bond 'also known as Kijani Bond' worth $300 million. The proceeds from the bonds were allocated on sponsoring environment-friendly projects to mitigate against climate change in sectors such as infrastructure, renewable energy, manufacturing, construction and water supply. The Bond is accessible to "even the average Tanzanian with a minimum initial investment of Tsh500,000 ($208). The bond is equally available to both local and international investors in Tanzanian shillings or US dollars.

NMB's Jamii Bond

In 2023 NMB bank issued a mult-currency bond

and raised TZS 212.9 billion and USD 73 million, NMB Bond was the largest sustainability bond ever issued in the East African region. The NMB TZS tranche targeting to raise TZS 75 billion, raised TZS 212.9 billion marking an over subscription of 184%. On the other hand the USD tranche targeted to raise USD 10 million, successful collected USD 73 million, over subscription of 630%.

TANGA UWASA

Tanga UWASA's Water Infrastructure Green Bond, the first ever Sub-national Bond to be issued in East Africa. The Bond will be listed and traded at the DSE, and funds raised will propel sustainable water supply infrastructure and environmental conservation efforts in Tanga.

Total value of sustainability instruments (social and green bonds) issued in the market in the year 2023 = TZS 459 billion and USD 73 million

Internal Capacity Building

We focus on enhancing employee's productivity by providing training that aligns withstrategy and goals. This increases cross-functional collaboration and fosters a continuous learning culture.

Sustainable supply chain

We recognize that a diverse supplier base is integral to our company's ability to make sustained profit. Therefore, building and maintaining a community of diverse suppliers increases our opportunity to hear new ideas, build new relationships, and gain access to additional solutions that respond to our ever-evolving needs. Our goal from the onset is to support local suppliers wherever possible.

46

Number of new suppliers onboarded in the year.

93.5%

Of the new suppliers that are local suppliers.

In a bid to promote sustainability in our supply chain, we have started taking measures to ensure sustainable practices through relevant policies and supplier engagement practices as well as efforts to diversify suppliers to include under-represented groups.

81% (2022: 85%)

Percentage of spending on local suppliers

Some of the measures we have started taking as part of embedding best practices sustainability practices in our procurement processes include:

- Working closely with suppliers and encourage them to embed sustainability practices in their operations. This includes reviewing their sustainability progress periodically.
- Incorporating environmental and social goals in procurement processes and decisions.
- Working to introduce a rigorous supplier screening process and monitor their compliance with our environmental, social, safety, and human rights standards.
- Strong anti-corruption stance in procurement processes, as well as promoting transparency, integrity, and accountability.

100%

Percentage of suppliers who have signed the code of conduct during the years 2022 and 2023

Promoting financial inclusion

We believe that financially literate investors are well-informed about opportunities in the capital market and are therefore in a better position to make informed investment choices. Thus, greater awareness about the capital market is required on the part of retail investors to evaluate the choices available to them. DSE has taken steps to educate investors about the financial markets, enabling them to make informed investment decisions. This has contributed to the growth of a knowledgeable investor base. We collaborate with several organizations to make training and development opportunities widely accessible both internally and externally.

In a bid to improve financial literacy and financial inclusion in the market the DSE has embarked on a comprehensive plan to promote financial literacy through various initiatives. These efforts not only address understanding the basic role of the Exchange, but also provides education of the various products offered by the Exchange.

The DSE Academy

We believe that education plays an instrumental role in enabling sustainable finance to become mainstream. It is with this in mind that we launched the DSE Academy in the year 2022. The objective of the DSE Academy is to broaden the overall market understanding of the principles of sustainable finance, promote inclusive investment products and help promote sustainable practices in the market.

Courses offered include:

- Listings, Trading & Investment Training
- Internal audit
- Financial Education
- Risk Management and Compliance
- Sustainability Reporting and Eco-Business Financing
- Market Data, Fintech & Regulatory Technology

All DSE employees are encouraged to access to DSE Academy courses in order to raise their awareness and upskill their knowledge on sustainable finance, regardless of their role within the organisation. During 2023, there were 130 participants (70 participants in 2022).

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Digital transformation

Technology plays a critical role in the DSE mandate on increasing investor reach and promoting financial inclusion by communicating and promoting the role of the Exchange in capital market development. Furthermore, the mobile application facilitatethe distribution of:

- Daily market data (Daily market prices movements, Disclosures, Indices, Unit Trusts)
- Regulatory disclosures
- Price movements
- Index movements and
- Listed company news and information

Hisa Kiganjani

In 2020 DSE enhanced the mobile trading platform, named DSE Mobile Trading Platform – DSE Hisa Kiganjani. This shift has also attracted a new generation of tech-savvy investors, contributing to increased liquidity in the market.

The Mobile Trading Platform (DSE Hisa Kiganjani) enables investors to participate in trading from anywhere, making it convenient for both domestic and international investors.

Around 20,000 users have registered on the DSE Hisa Kiganjani application. The value of daily transaction through is application is around TZS 50 million.

Ring the bell for financial literacy and investor protection.

In October 2023 DSE joined other stock exchanges in the world to mark "Ring the Bell for Financial Literacy" in celebrating the World Investor Week from 2nd to 8th October 2023. The major theme of the event was "Sustainable Finance" to underscore the need for the world to start taking deliberate actions including undertaking initiatives to address several environmental calamities arising from climate changes.

DSE is dedicated to improving financial literacy across all segments of society, with a specific emphasis on the youth. DSE acknowledges the transformative power of financial education and is dedicated to equipping individuals of diverse ages with the knowledge and resources necessary to make informed investment decisions.

The event was participated by 120 people (both physically and virtually).

DSE Scholar Investment Challenge

We take pride in supporting initiatives to raise awareness on the role DSE plays in building financial literacy skills for students through the students' programs such as DSE scholar investment challenge. We expect to host the DSE Scholar Challenge in the year 2024 which will be the ninth in a row since 2014, aimed at empowering youth on various financial matters including how to save to reap profit out of through trading. As part of the programme, students were given virtual money to trade digitally, and best performers were awarded and also got an opportunity for internships as part of enhancing their financial literacy.

We expect around 450 students to take part in this challenge from 3 universities. Winners expected to be on a club level and on an individual level.

Product diversity

As part of promoting financial inclusion, we have taken various initiatives to encourage participation by all sectors. This includes offering products and services that serve a broad range of investors, such as small and medium enterprises (SME's).

DSE continues to focus on enhancing capacity of SME's to ensure their growth and sustainable development. In understanding the challenges SME's face in accessing finance in understanding this, the DSE developed various initiatives such as DSE Enterprise Acceleration Program "DEAP", a tailor-made training program aimed at building capacity to owners and management on how to manage and run their business sustainably in order to attract various forms of capital finance.

DSE Enterprise Acceleration Program (DEAP)

This is an initiative designed to provide a platform for owners/managers of Small and Medium Size Enterprises (SMEs) with growth potentials to learn and implement the right structure, management systems and processes that will support their businesses to operate sustainably, hence attract different types of investors and financiers such as Commercial & Development Banks, Private Equity Firms, Venture Capital Funds, Crowdfunding Platforms and Public Offerings (IPOs) through a stock exchange. Broadly, the DEAP is an initiative that intends to achieve the following:

1) Inspire and influence business owners and managers across various industries to take actions on issues that help their businesses to prosper further; enhancing their profiling and visibility, adherence to principles of business sustainability as well as access to a range of financing options that will enable their growth and development, and the follow-on-benefits to the society at large.

2) Develop business leaders and their businesses by building a strong community of the network in the business growth ecosystem and encourage them to act.

3) A platform that provides SMEs with capacities on areas of strategic business planning, financial management and controls, corporate governance, talent management, business regulatory environment as well as sustainable business management.

4) The program involves capacity building cutting across the entire areas of business growth ecosystem, providing support to ambitious and fast-growing companies to qualified companies scale up, structure their growth path, through training, business support, mentoring networking and facilitating their access to various sustainable expertise and funding.

Since the startup of DEAP in 2020, a total of 50 SME's has been enrolled to the DEAP program; while 24 SMEs have been admitted to the ENDELEZA segment.

SMEs Acceleration Segment "ENDELEZA

The DSE also established the SMEs Acceleration Segment "ENDELEZA", a pre-IPO segment designed to enhance visibility and profile of the SMEs in order access to specialized capital raising advisory services to build capacity of the SMEs, assist the SMEs in obtaining capital and further encourage their sustainable growth.

Other programs conducted by the DSE include the Scholar Investment Challenge (for students) and Maarifa Hisa Kiganjani (for the general public).

Strategic partnerships

DSE also leverages on partnerships as key in achieving the SDGs. The DSE is a full Member to the World Federation of Exchanges (WFE), a Partner Exchange in the UN-Sustainable Stock Exchanges Initiative, and a member of regional bodies which include African Securities Exchanges Association (ASEA), Committee of SADC Stock Exchanges (COSSE), and the East Africa Stock Exchanges Association (EASEA).

Through these associations and partnerships, the DSE learns, share experience and engage peer exchanges in promoting sustainability finance practices. We are committed to work with our partners and other external stakeholders and act accordingly in partnership with other organisations, at local and international levels. Furthermore, in 2026 the DSE joined the United Nations (UN) Sustainable Stock Exchanges (SSE) initiative for sustainability and transparency. The DSE signed a voluntary commitment to promote long-term sustainable investment, and to improve environmental, social and corporate governance (ESG) disclosure and performance of listed companies. This move signifies a keen intent by the DSE to encourage and motivate members and other stakeholders to ensure businesses and investments activities are conducted in a manner that embraces transparency, environmental protection, social and corporate governance as well as sustainability of both current and future generations

Participation in constructive discussions and exchange of ideas.

DSE plays an important role on a national and international level, taking part in conferences, working groups and discussions. These forums ultimately result in best practices, industry standards and new policies regulations aiming to bring transparency, integrity and promote sustainability practices in our market. We also encourage the exchange of knowledge with the market. Learning from each other to allows the establishment of best practices sustainability culture in our environment.

We have set ourselves a target of ensuring that we attend or organize at least four (4) ESG forums per annum and propose value addition to DSE. During the year 2023, we had organised and attended several sustainability events and forums including the 'Ring the Bell for gender equality'.

Our memorandum of Understanding (MoU) with The Institute of Directors Tanzania (IODT)

In 2023, DSE signed of a memorandum of Understanding (MoU) with The Institute of Directors Tanzania (IODT) in a landmark collaboration aimed at fostering corporate governance and enhancing the overall business landscape in Tanzania. Through joint initiatives and programs, this collaboration aims to elevate corporate governance standards, thereby enhancing investor confidence and promoting sustainable economic growth.

Gender equality

Promoting fairness, equality, and respect

As part of our sustainability development goals, we've established the below women inclusivity goals set to be implemented by 2025.:

We consider gender equality to be area of priority, not only internally, but also in our community and beyond. We focus to ensure there is an awareness on diversity and gender equality among our members through various forums and initiatives such as the Ring the Bell for Gender Equality that is conducted annually (for the past 6 years) in collaboration with UN-Women, UN-SSE, UN-Global Compact, and WFE. Through these initiatives, the DSE can communicate the importance and relevance of gender equality in business and its continuity.

1 Offer training courses, including financial literacy to women entrepreneurs

2 Support specific sustainability based and investment products that focus on providing capital to women entrepreneurs.

3 publicly disclose pay parity by gender across all levels of the organization.

2 Support the development of SMEs including women-owned small businesses.

Ring the bell for gender equality

Ring the Bell for Gender Equality is the World Federation of Exchange (WFE) initiative aimed at raising awareness on gender issues, including women empowerment in the workplace, marketplace, and the community. DSE as one of the WFE member joined this initiative to promote the **UN Sustainable Development Goal 5 on Gender Equality.**

In 2023, the DSE in collaboration with the UN Women, International Finance Corporation, United Nations Sustainable Stock Exchanges Initiative, UN Global Compact and the WFE hosted the Ring the Bell for Gender Equality event which was attended by over 300 participants.

,This initiative signifies DSE's strong commitment to gender equality and our belief that gender equality is a driver of economic growth and therefore progress towards gender equality is a core contributor to more economically prosperous and socially cohesive society.

As part of our commitment to gender equality, DSE has taken a number of initiatives and will continue to make progress on the following areas:

- igning and adopting the Women's Empowerment Principles (WEPs). More than 36 exchanges around the world are WEPs signatories.
- Promoting gender equality listing criteria and gender data disclosure.
- Developing new products, such as sustainability-linked bonds with gender criteria and gender bonds.
- Promoting women's access to finance and encouraging women to invest in capital markets.

Our ambition to promote gender diversity on Boards and Management of listed companies

The DSE encourages listed companies to publicly disclose targets for female representation in leadership and continuously report on the progress to achieve this. We have set a target of ensuring that all listed companies attain at least 40% women representation on all decision-making roles by 2027. We continue to work closely with our members, partners, and stakeholders to promote gender equality in the market.

As at the end of 2023, three (3) listed companies had at least 40% of women representation at Board level and 6 companies had at least 40% of women representation at top management level.

Environment

Climate risks

Climate change is one of today's greatest challenges and addressing it is essential to promote sustainable economic growth. As part of our sustainability practices, we recognize our responsibility to help protect the planet and minimize environmental impact.

Environment - Focus Areas

Water	Energy Eficiency	Promoting energy efficiency in the market	Waste Management	Managing environmental footprints

We commit to addressing climate change and recognise the importance of setting ambitious targets for transparent and meaningful climate actions, that are aligned with best practices. A critical part of our climate strategy is to work together with our strategic partners and broad stakeholders to reduce the impact of climate risks.

- Transition risks may arise from policy, legal, technology and market changes to address climate mitigation and adaptation. With the increased global focus on integrating climate risks and opportunities into investment decision making, DSE recognises the need to monitor and manage our business and support our stakeholders in the transition to a low carbon economy.
- Physical risks resulting from climate change may arise from extreme weather events or longer-term shifts in weather patterns, resulting in operational disruptions, physical damage to assets etc.

How we respond to climate risks

We believe that the business community must work together to address the challenge of climate risk. We are prepared to do our part and closely work with our partners, investors, and other stakeholders to drive positive change in the market. Some of the key initiatives we are taking in this regard include:

We have developed a robust governance framework to oversee and manage sustainability, including climate-related risks and opportunities.

We have embarked on a plan to better understand our climate-related risks and opportunities to inform our decisions. This includes actively engage with investors, partners, and other stakeholders to promote climate related actions and policies. Specifically, we respond to climate risks as follows:

- On physical risk, while DSE does not hold significant real assets within our portfolio and thus have minimal exposure to physical risks, we recognise that climate events such as floods may potentially disrupt our operations, if they worsen, and therefore we will continue to review such weather trends and research and update our assessment and response to such risks. As an example, our Disaster recovery site is located more than 200 kilometres from the main site.,
- We will continue to work towards reducing our own carbon emissions in our operations.
- To encourage transparency and accountability in the market. In this regard, we will disclose on our data and progress on our sustainability strategy annually.
- Promote positive sustainable practices in the market through policies and regulations.
- Encourage dialogue and sharing of experiences among business about issues pertaining ESG through organising forums and workshops.
- Continue to engage with local and global policymakers, standard setters, and organisations to promote climate-related actions and policies.
- Working with policymakers and stakeholders to promote a market for green and sustainability bonds and create a conducive environment for issuance of such instruments in the market.
- Provide educational materials and resources to investors and the public on topics related to ESG.
- Focus on full compliance with all relevant environmental legislation and regulations in Tanzania.

Managing environmental footprints

‘At DSE, we strongly believe that the commitment to the protection of our environment and the planet begins at the workplace’.

As a stock exchange, DSE has less direct environmental impact compared to companies in other industries. Nevertheless, we believe that we have a role to play and a responsibility to protect our environment. This is why we aim to take measures to manage our environmental footprint by adapting our everyday behaviour and adopting sustainable practices in our operation.

We recognise the importance of minimising the negative impacts of our operations and reduce our carbon footprint as well as work with investors, partners and other stakeholders to promote sustainable practices in the market with a broader goal of responsible environmental stewardship. We believe that it is our responsibility to reduce our water and paper consumption and to raise the awareness of our employees accordingly. We also expect our suppliers to share this mindset.

In this respect, we have started taking initiatives to optimise resource consumption with the aim of managing our own environmental footprint. Some of the measures we have taken to ensure energy efficiency in our operation include:

- We continually engage and communicate to our employees and encourage them to adopt energy efficiency practices.
- We have adopted a policy of ensuring that all new equipment and appliances installed at our offices have energy efficient mechanisms.
- We continuously communicate our actions to different stakeholders to raise awareness and encourage investors to use environmentally friendly solutions.

Water

While most of our operating activities are not water-intensive, clean water has become an increasingly scarce resource. As a result, we closely monitor how water is managed within our operation. Some of the measures we are taking to protect our water resources include:

- Performing regular maintenance to minimize water leaks.
- Installation of water-efficient plumbing fixtures
- Communication to our employees on the importance of conserving water
- Continuously engage with our landlord and other stakeholders to identify best means to conserve water.

Energy efficiency

We see our energy consumption as a key element. We are well aware of our consumption of electricity and reduce it to a minimum for example by managing lighting and electricity consumption in our offices.

- Engage in discussions with our suppliers, investors and other market players to identify sustainable alternatives in a bid to reduce energy usage.
- Embark on a plan to promote sustainable resource management practices in our operation.
- Identify paper intensive processes and activities within our operation and replace or complement these activities with digital solutions.
- Continuously train our employees on our sustainability policies and practices including energy efficiency and responsible resources usage.
- Embarked on a plan to upgrade our internal equipment and appliances to energy efficient equipment and appliances to reduce electricity consumption.
- We have embarked on a plan to make our premises overall resource-efficient in order to minimise the negative environmental impact. We have started to take measures to ensure that our premises are maintained and furnished responsibly using environment friendly equipment and appliances.

Although we have put in place various internal initiatives to monitor our water and energy consumptions as highlighted above, we have an arrangement with the current landlord to pay fixed utility costs to the landlord irrespective of the utility usage. Therefore, no data on actual quantity and costs of utility consumption is currently maintained. However, as we expect to move to our new building in the coming months, we are putting in place procedures to assist in disclosing the quantity and amounts related to our utility consumptions that will be included in our future sustainability reports.

Promoting energy efficiency in the market

DSE has embarked on an initiative to encourage investors, listed companies and other companies in the market to take initiatives to improve the energy efficiency of their operations. We embarked on this initiative because we believe that the benefits of greater energy efficiency not only contribute to environmental conservation and cleaner air and water but also serves as a platform for improving public health and boosting stronger economic growth and development.

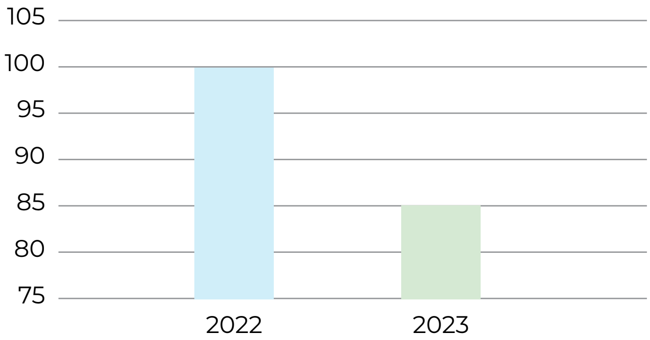
Paper usage

In line with our desire to be a sustainable and paperless workplace, we take various measures to reduce our paper consumption. We encourage our staff to curb our internal paper consumption as well as reduce the amount of paper used in our interactions by using various paperless communication channels such as emails and online calls.

We are also working to enhance and formalise our internal policies and procedures on responsible resources usage within our operation.

Though these initiatives are still ongoing we have started seeing positive outcome in terms of our paper consumptions. Our paper usage for the year 2023 and 2022 is as follows:

Quantity of paper used in reams



	2023	2022
Quantity of paper used in reams	85	100
Paper used (Cost in TZS)	871,000	780,000

Waste management

We ensure that our mechanism for disposal of waste is in alignment with our local regulations. Our waste management initiatives include:

- We are also taking measures to reduce consumption of dry waste (paper and cardboard) through digitisation.
- Work with our landlord and other relevant stakeholders to ensure that wastewater discharged in our offices are directed to respective county sewerage networks.
- Encourage our employees to reduce waste and to sort it accordingly inside our premises. We are therefore working on measures to put the right types of trash bins at their disposal.
- Encourage transparency and accountability with regards to wastes management and disposal.

Social

Social - Focus Areas

Data Security and Privacy	Cyber Security	Employee Wellbeing	Supplier Diversity
	Employee Wellbeing	Business continuity and recovery	

Business continuity and recovery

We recognise that the Exchange is susceptible to operational disruptions caused by internal and external threats such as fire, flood, theft, data management, power outage, disease outbreak/ pandemic illness, earthquake, floods, terrorist attacks, system failures, unethical hackers etc. Such disasters may lead to severe operational disruptions and sometimes threaten the business continuity which could adversely impact the capital market space. To manage or minimizing the operational, financial, reputational, and other material consequences arising from these disruptions the DSE has developed business continuity and recovery Policy.

The policy aims to provide the information and procedures necessary to:

- Rapidly respond to a disaster or emergency situation.
- Notify necessary trained personnel.
- Rapidly recover services to members; and
- Rapidly resume normal business functions

DSE has in place a Crisis Control Team (CCT) for the purpose of managing the Business Continuity and Recovery Policy. The CCT is headed by the Risk and Compliance Manager. Major roles and responsibilities of the CCT include the following:

a) To develop Business Continuity and Recovery process and policy

b) To periodically conduct Business Impact Analysis (at least once a year), an institution-wide risk assessment and monitoring to identify the mission critical activities and vulnerability for major disruptions.

c) To ensure that the BCP is updated to reflect the changes in the risk profile of the DSE.

d) Report on the status of business continuity management to the Board on a regular basis, highlighting where gaps are identified.

e) To facilitate testing of policy to ensure that team members are aware of their roles and responsibilities in the event of a disruption; and

f) f) To ensure that DSE response to a disruption is communicated internally and externally to applicable parties.

Regular tests need to be conducted with regard to each disaster scenario. This includes:

(i) Testing the ability to recreate the computer centre configurations at DRS. (IT DR Test).

(ii) Testing the ability to restore data and software from back up media.

(iii) Testing the recovery procedures regarding the loss of a critical telecommunications link.

(iv) Testing the ability to switch networks and telecommunications links to DRS.

(v) Testing the recovery process related to the prolonged loss of power.

(vi) Testing the recovery process related to the loss of the Internet, E-Mail etc.; and

(vii) Testing the ability of the business unit to continue functionality by using concise and detailed procedural documentation.

Data Security and Privacy

We are committed to protecting the data we hold and process, and our approach is based on having the right talent, technology, systems and controls, to help ensure appropriate management of privacy risk.

DSE collects sensitive data from employees, customers, suppliers and companies that enlist with the Exchange. This information consists of records such as customers' names and contact details, company details that are necessary in performance of the Exchange obligations. We therefore take the utmost care in ensuring data is collected in the most transparent manner, and stored in a fair, ethical and lawful way as this is essential in building trust in the society we operate in.

Data Security and Privacy measures

Every employee is required to sign a Confidentiality Declaration undertaking to keep in strict confidence, any information regarding any client, listed securities, employee or business of the DSE or any other organization that comes to his attention while at the DSE. We also conduct regular employee training and awareness sessions on data privacy and security issues to ensure that our people are up to date with the evolving threats around data security.

Our privacy team conduct regular privacy risk assessments and continue to develop solutions to strengthen our data privacy controls. They report to the highest level of management on data privacy risks and data security issues.

The DSE has a robust data protection policy that ensures that data is:

- Communicated/transferred using the appropriate channels.
- Not stored for more than the required period of time
- Only transferred to companies or countries that meet the data protection requirements of the DSE.
- Not distributed to any party other than to those agreed upon by the data's owner (save for legitimate requests from law enforcement authorities)
- Protected adequately in cases of lost, corrupted or compromised data.
- Available to authorised personnel only, with their rights to modify, erase, reduce or correct data managed closely.

Cyber security

In today's digital environment, it is critical to safeguard sensitive data by managing risks relating to cyber security. Safeguarding data and ensuring information security helps to protect them against the risk of financial crime, bribery and corruption and reputational risk. We place significant emphasis on cyber security, through communications to employees to raise awareness around cyber threats and emerging hacking techniques such as email phishing and encourage employees to actively report any potential incidents or suspicious messages.

DSE has implemented various digital tools to enhance cyber security

Zero cases

Of data breach/loss/leaks and cyber security threats reported in the year

Occupational Health and safety policy

We are committed to protect our employees, customers, visitors and contractors from the risk of injury and ill-health. The policy aims to promote a healthy and safe working environment at workplaces. We continue to put in place measures to promote and safeguard the safety and health of our employees in the workplace.

89%

Employee satisfaction on safety at the workplace.

90%

Employee satisfaction on the general work area conditions

All DSE employees undergo regular training on health and safety. In addition, our Human Resource Policy Manual containing detailed guidelines on health and safety, employee code of conduct, and employee safeguarding measures amongst other guidelines. The health and safety manual contains guidelines on hazard identification, risk assessment, and the prevention and mitigation of occupational health and safety impacts such as:

- Fires and Other Emergencies
- General Safety Rules
- On-the-job Injuries/Illnesses
- Emergency Evacuation and Re-entry
- Smoking

The guidelines also contain responsibilities of personnel in relation to health and safety.

Human Rights

To date, we already have a number of policies and processes to identify the risks associated with human rights. The effective management of human rights and modern slavery issues relies on the integration of our various company policies such as the code of conduct, grievance and dispute settlement, procurement and outsourcing, and data protection.

Given our role as a self-regulatory organization (SRO), we have identified potential human right risks not only within our organisation, but across our value chain which we intend to take into consideration when interacting with these stakeholders.

Colleagues	Corporate Customers	Suppliers
• Discrimination	• Economic exploitation • Violation of labour rights.	• Violation of labour rights.

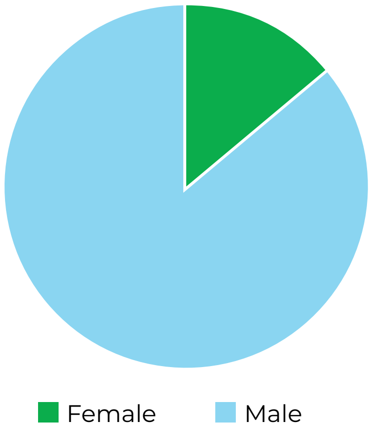
Our People

Diversity and inclusion

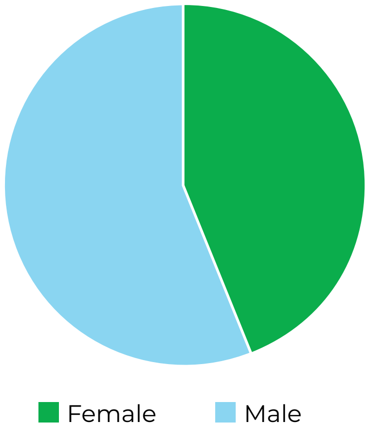
At DSE, we aim to create a culture of belonging, a workplace that is a true representation of all sections of society, that is fair and inclusive for all, and where diverse perspectives are valued throughout the organisation. By doing this, we are able to leverage on the unique expertise, capabilities, breadth and perspectives of our colleagues to help us achieve our mission.

- Our commitment to this is evident at senior management level, where we have a 44% women representation by 2023.
- At board level, we have a 14% female representation. We aim to achieve a 40% representation of women in entire organisation by 2027.

Board compostion by gender



Senior management composition by Gender



One of our key goals for the upcoming year is to:

1. Develop an internal women's network that provides mentoring and growth opportunities to our female colleagues.
2. Offer training courses for women to prepare them for board and senior management roles.

Our inclusivity strategy is focused on three key priorities to help us advance the competitive strength of our workforce:

- Continuous innovation in recruiting, development, compensation, promotion and engagement of colleagues
- Actively seeking out and listening to diverse perspectives at all levels of the organization
- Optimizing transparency to promote accountability, credibility and effectiveness in achieving our goals.

61%

Satisfied with the fair treatment for all employees regardless of gender, age, race, religion, tribe or disability.

68%

Satisfied that the organisation is supportive of expression of different opinions, styles and perceptions.

Whilst majority of our people are satisfied with firms' diversity and inclusion efforts, the leadership is committed to achieving a higher satisfaction score by closely monitoring functions such as the remuneration and promotions, creating bottom-up communication opportunities through quarterly staff meetings, and recognizing and celebrating religious diversity in the workplace in order to create a culture where all colleagues feel empowered to bring their authentic selves to work.

Employee wellbeing and benefits

Our goal is to create a healthy and resilient organisation where our colleagues are motivated to perform at their best and contribute to organisational success. We do this by empowering our employees to do what's right by setting clear expectations, providing tools and resources to reinforce ethical decision-making, and consistently providing information about the various ways available to escalate concerns.

Supporting our peoples' mental and physical health remains a top priority, and we have continued to provide private medical insurance, including their immediate family members, and life insurance.

The Exchange also offers a top-tier retirement savings programs, which is an employer match program, and all employees are eligible for paid time off, including parental leave, and other types of leave in line with industry and local norms. In addition to this, employees are also entitled to housing allowance and burial assistance.

We spent the following on employee benefits:

	2023	2022
	Group	
	TZS'000	
Staff costs (Group)		
Salary and wages	2,684,215	2,395,634
Bonus	208,881	123,143
Skills and development levy	158,875	66,556
Employer contribution to pension funds (defined contribution plan)	385,932	544,710
Leave cost	160,936	157,465
Medical expenses	126,482	145,399
Life Insurance Expenses	31,551	14,721
Training and workshops	128,891	52,436
Other staff cost; special, acting and furniture allowances	117,390	84,842
Extra Responsibility Allowances	-	5,938
Workers' Compensation Fund	12,864	13,157
Fuel allowance	165,717	139,084
Long Service & Golden Handshake expenses	45,829	11,994
	4,227,563	**3,755,079**

Rewarding our employees

We observe the concept of fair and equitable remuneration for executive management in the context of overall employee remuneration.

Long-service reward – for employees who have served the organisation for 10 years and above. 2023 TSH 6 million (2022 TSH 7.5 million).

Golden Handshake reward – for retiring staff. 2023 TSH 33 million (2022 TSH 37 million).

Monetary reward – In the event of a commendable act, innovation, saving/recovery of DSE property.

Annual Bonus – performance related. TSH 137 million (2022 TZS 123 million).

Talent management and succession planning

We recognize that diverse, talented teams, across all levels of the organisation are critical to our success. We continue to strengthen our talent pipelines and hone our hiring processes, and we're committed to paying equitably and competitively to attract and retain talent.

Furthermore, our succession planning includes an assessment of gender diversity across all roles deemed most critical in the organisation, and we also offer a wide range of career development initiatives such as on-job mentoring and networking programs which is aimed at creating the next generation of leaders within our organisation.

We offer mobility between posts study tour and workshops to other exchanges to ensure we maximise the opportunities available for our people to further their careers at the Exchange.

79%

Employees satisfied with company's effort in creating room for employees to advance in the organization.

65%

Satisfaction with training opportunities for advancement into other higher opportunities within the firm.

We will continue to focus on creating a culture and working environment where our employees can thrive.

All colleagues have performance goals aligned to their job roles, so they are clear on what they need to achieve, and how to achieve it. This provides clarity on their contribution to DSE's overall purpose.

We engage in regular performance conversations with our colleagues and have midyear check-ins on annual goals to ensure a culture of continuous learning and development. This is all documented on the performance management system and reviewed at the end of the year during the annual appraisal process. This approach positions line managers as coaches and encourages colleagues to own their own performance and development, helping them to thrive and reach their full potential.

Training and education

All new joiners undergo an orientation program and are provided with an information package containing essential details such as the organisations business profile, structure, guidelines, standards, procedures and employee's expectations. For departments where specific training is required this is managed through training needs analysis for key positions.

We're committed to helping our colleagues gain the skills and experience they need to achieve their professional goals and deliver the best for our company and our stakeholders. Our commitment is evident by a 145% increase in spending on training in 2023 compared to the previous year, and in response to our employee survey feedback on providing more training opportunities.

	2023 TSH	2022 TSH
Employees training costs	128.8 Million	52.4 Million

The DSE provides a broad spectrum of training methods to ensure a holistic development of our colleagues across all levels. These include:

Training	Aim
Induction course	To familiarize new entrants with strategic goals, the functions of the Exchange and with the tasks to be carried out.
Professional development training	To develop technical skills, and for keeping employees up to date with policy changes and management initiatives.
Workshops and seminars	To help employees enhance their soft skills in the workplace.
Management training	To equip senior staff with core management skills and practices.
Performance improvement courses	To constantly upgrade key skills and to keep employees abreast with changes in technology.
Planned tours.	For management to gain experience in other countries for application in the management of the Exchange.

This is what our employees think about training and education policy:

53%

Employees are satisfied with orientation / induction training

89%

Employees agree to have learned new skills in their roles

Employee engagement

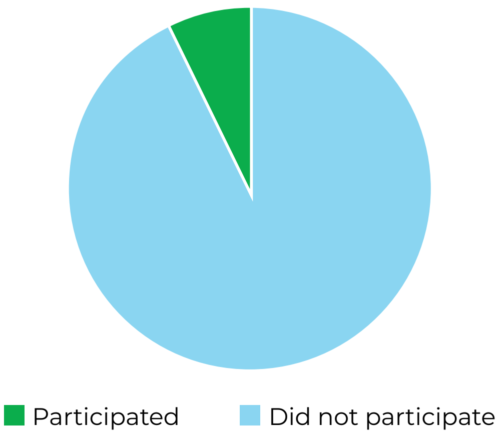
We listen to our colleagues and solicit their views and sentiment at different stages of their employment lifecycle, from employee engagement surveys to exit interviews. Our recent employee satisfaction survey, conducted in 2022 saw a significant participation of 28 out of 30 employees.

Employee satisfaction Survey: Key Highlights

83%

Overall satisfaction with DSE as their employer.

Employee Satisfaction Survey (2022): Participation Rate



97%

Satisfaction with the Company's mission, vision, values and objectives.

98%

Employees would recommend our organisation to a friend.

The above results underline the belief our people have in our entity, its goals and values. From the survey we also noted areas for improvement, for which the leadership have taken active measures to address. The key areas for improvement include:

Areas for Improvement	Action Plan
The organization's corporate and internal communication strategy	• Scheduling quarterly staff meetings to foster internal communication and bottom-up feedback. • Addressing stakeholders more frequently on the various communication channels and social media platforms.
Employee recognition for excellent work	• Publicising employee accomplishments. • Provide monetary rewards.
Increasing training opportunities	• Increasing the training budget. • More active participation on regional and global industry bodies.

We also hold annual retreats to enhance employee engagement and bonding. This year we held a 3-day team building initiative.

Report and
Financial Statements

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List of Abbreviations

ACPA	Associate certified public account
AGM	Annual General Meeting
ASEA	African Securities Exchanges Association
ATS	Automated Trading System
CEO	Chief executive officer
CMI	Capital market infrastructure
CoSSE	Committee of SADC Stock Exchanges
CPA	Certified public accountant
CPB	Certified professional banker
CSDR	CSD & Registry Company Limited
DRS	Disaster Recover Site
DSE	Dar es salaam Stock Exchange Public Liability Company (Plc)
ECL	Expected credit losses
EPS	Earnings per Share
FVOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GDP	Gross domestic product
IAS	International Accounting Standard
ICT	Information and communication technology
IFRS	International Financial Reporting Standard
IPO	Initial Public Offering
ISIN	International Security Identification Number
ITS	Internal Transfer System
LTC	Listing and trading committee
NMB	National Microfinance Bank
NSSF	National Social Security Fund
PAYE	Pay as you earn
PSSSF	Public Service Social Security Fund
SDL	Skill development levy
SPPI	Solely Payment of Principal and Interest
SRO	Self-Regulatory Organization
TFRS	Tanzania Financial Reporting Standard
TZS	Tanzanian Shilling
UN SSE	United Nations Sustainable Stock Exchanges Initiative
USD	United State Dollar
VAT	Value added tax
WFE	World Federation of Exchanges

General Information

Principal place of activities

Dar es Salaam Stock Exchange Public Limited Company
3rd Floor, Kambarage House, 6 Ufukoni Street
P. O. Box 70081
Dar es Salaam, Tanzania

Bankers

CRDB Bank Plc
P. O. Box 268
Dar es Salaam, Tanzania

Akiba Commercial Bank Plc
P. O. Box 669
Dar es Salaam, Tanzania

Auditor

KPMG
2nd Floor, The Luminary
Plot No. 574 Haile Selassie Road, Masaki
Registration No. 107992
Tax Identification No. 100-144-921
NBAA PF No. PF020
P.O. Box 1160
Dar es Salaam
Tanzania

Chairman's Statement

Introduction

It is with great pleasure and a sense of gratitude that I present to you the Dar es Salaam Stock Exchange PLC (DSE) Annual Report and Financial Statements for the year ended December 31, 2023. As we reflect on the past year's accomplishments and challenges, I am pleased to report that our company has continued to navigate through dynamic market conditions with resilience, agility, and unwavering commitment to our core values. I am delighted to report that our Group has delivered strong financial results and continued to make significant progress towards achieving our strategic objectives.

Our Operating Environment and Delivering on the Strategy

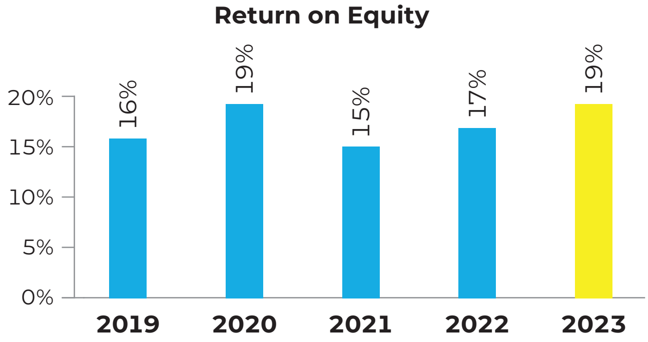
Throughout 2023, the Tanzanian economy demonstrated resilience and recovery, with a GDP growth reaching at 5.2%, a modest increase from the preceding year's 4.6%. The services sector remained the main driving force behind Tanzania's overall economic growth, expanding by 7.3%, supported by buoyant economic activities in financial and insurance, transport and storage, and trade and repair subsectors. While facing recurring droughts and floods, the agriculture sector grew at 3.4% in 2023. Notably, the Bank of Tanzania adopted an interest-rate-targeting monetary policy regime in January 2024 to strengthen inflation controls and anchor inflation expectations which stood at 3% in 2023 (4.8% in 2022).

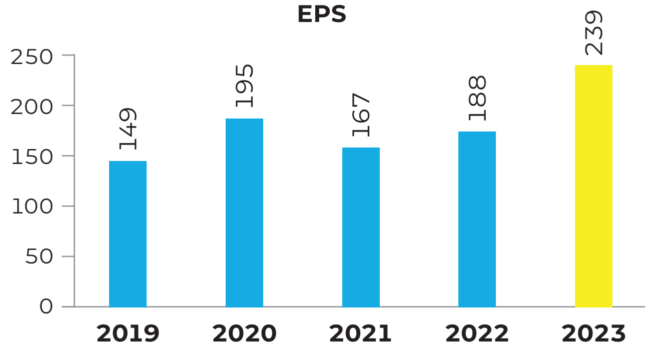
The 2023 financial year was the first year of implementation of the 2023-2027 DSE 5-Years Strategic Plan III following successful implementation of the previous Strategic Plan (SP II) spanning 2018-2022. SP II delivered strong values to investors and other stakeholders with earnings per share growing from TZS 74.00 to TZS 188.00 (154% increase) and return on equity increasing from 9% to 17%. In the first year of SP III, DSE focused to deliver in some key strategic results in core areas included increased number and range of other listings especially promotion of sustainable bonds issuance. Other areas include promoting wider adoption and use of mobile trading; enhancing the DSE's Self-Regulatory Organization (SRO) functions; Engage with other professional bodies for strategical partnerships; Renew and improve IT infrastructure and processes as well as enhancement of the subsidiary (CSDR) products and services. In additional, the DSE continued with its strategies to strengthening its partnership with international and global business-related partners. In 2023, the DSE collaborated with other stakeholder i.e., the UN-Women, UN-SSE, UN-Global Compact, and WFE in Celebrating International Women Day by ringing the bell for Gender Equality on 8th March 2023.

The year witnessed the issuance of two large sustainable bonds from CRDB Bank (Kijani Bond) and NMB (Multi-Currency Jamii bond) both of which were heavily oversubscribed with a combined total value of TZS 385 billion and USD 73 million respectively. The intended use of proceeds, which included the largest sustainability bond ever issued in the East African region, is to finance eligible climate, social and environment-focused projects that positively impact resilience against climate change and achieve sustainable infrastructures.

Financial Performance

As you will see in the consolidated & separate financial statements published in this Annual Report, the Exchange had a robust financial performance in the year. We attained a 18.9% return on equity and 17.02% return on assets while earnings per share grew by 12% reaching TZS 239.09 (2022: TZS 188.16). Part of this value is expected to be returned to shareholders in the form of dividend payment. Group trend of Return on Equity, closing price, and EPS for the past five years is shown below in the following table.





Investors' reaction to the sustained financial performance was very positive with DSE shares being among the most liquid shares in the exchange. During the year, our shares had good trading volumes trading at an average price of TZS 1,800. The DSE closing price for the last five years is as shown below;

Corporate Governance

The Board continues to exercise its oversight mandate through the approved Board structure and the various substantive and ad hoc Board committees. During the year Board met five times and committee 11 times to deliberate and approve various matters pertains to operation. One Board member, Mr. Deogratias Laballa, ceased to be a member after serving DSE Board since 2019. On behalf of the entire Board and staff, I extend our heartfelt thanks to Mr. Laballa for his years of dedicated service and we wish him all the best in his future endeavours.

Outlook and Sustainability

As we observe the recovery of various sectors within the economy, along with the stability of the country's political landscape and the vision set forth by the 6th Phase Government under the leadership of Her Excellency, President Dr. Samia Suluhu Hassan, particularly her dedicated attention to the country's capital markets, I am confident that we are well positioned to consolidate our progress and sustain our growth trajectory. Our focus remains on fostering innovations that enhance operational efficiencies, while also cautiously exploring new ideas that hold promise for unlocking potential for exponential growth. The Board holds an optimistic outlook for the Exchange's performance in the coming years and maintains confidence in the government's strategies for managing external factors.

The Exchange will continue to invest in technology advancements with aims at enhancing trading platforms, making them faster, more efficient, and increasingly accessible to a wider range of investors using mobile trading platform, that is accessible everywhere. Furthermore, Exchange will continue to participate and collaborate with fellow East Africa Capital markets to implement the interlinkage project of the Capital Market Infrastructure (CMI) to foster the interconnectivity of East African financial markets to foster greater cross-border trading opportunities, driving liquidity and diversity in exchange offerings. Exchange also aims at enhancing the DSE rules and get approval from the regulatory to increases the liquidity in equity market segment. Moreover, the rise of alternative assets, such as cryptocurrencies and tokenized securities, presents new avenues for exchange growth and innovation. Despite challenges such as geopolitical uncertainties and market volatility, the overall trajectory points towards continued expansion and evolution within the exchange industry.

Dividend recommendation

The Board has carefully assessed the prevailing financial conditions, the need for future growth through re-investment of funds and optimization of shareholder value in the light of the company dividend policy. The Board is, therefore, recommending a dividend of TZS 145 (2022: TZS 116) per share for the year ended 31 December 2023, subject to approval by shareholders during the Annual General Meeting (AGM).

Acknowledgement

The Board appreciates the support DSE has been receiving from our key stakeholders. The investing publics both domestic and international have actively kept the exchange alive while stockbrokers have delivered smooth facilitation of transaction. Listed Companies, security issuers and Custodians have played a crucial role in ensuring the smooth operations of the Exchange over the past year.

We acknowledge the support of our Regulator, the Capital Markets and Securities Authority (CMSA), Development Partners and the Government, through the leadership of Her Excellence President Dr. Samia Suluhu Hassan, for their cooperation and commitment to meaningfully engage with the Exchange in matters of policy that directly impact our operations.

As we look ahead to the future, we do so with optimism, guided by our steadfast belief in the potential of our company and the opportunities that lie ahead. I extend my sincere gratitude to our shareholders, customers, employees, and partners for their continued trust, support, and collaboration. Together, we will continue to chart a course of sustainable growth, innovation, and prosperity.

Board Chairman
Dr. Ellinami Minja

CEO’S Report

Introduction

I am delighted to share with you highlights of the operational and financial performance of the Company for the year ending 31st December 2023. The year 2023 was the first year of implementation of our Five-year Strategic Plan III (2023 - 2027).

In terms of market performance, trading value increased to TZS 225 billion from turnover of TZS 134 billion in 2022; this was contributed by one-off block trade that involved sale of shares of Tanga Cement in secondary bonds market segment, bonds turnover (in trading value) increased by 29% to TZS 3,930 billion in 2023 from a turnover of TZS 3,045 billion in 2022.

Listing fee accounted for 38% of total revenue for 2023 same as in 2022, transactions fees accounted 15% compared to 12% in 2022, while investment income accounted for 28% of or total revenue compared to 31% in 2022.

Total market capitalization decreased by 7% from TZS 15,685 billion as of 31st December 2022 to TZS 14,611 billion as of 31st December 2023, this was due to decrease in prices of cross-listed companies. On the other hand, the Domestic Market capitalization increased by 3%, from TZS 10,280 billion in on 31st December 2022 to TZS 11,401 billion on 31st December 2023, major reasons for increase being the increase in share prices and valuations for some domestic listed companies.

Outstanding Treasury bonds increased by 18%, from TZS 17,088 billion as of 31st December 2022 to TZS 20,236 billion as of 31st December 2023. Outstanding Corporate bonds increased from TZS 155 billion as of 31st December 2022 to TZS 538.3 billion and outstanding corporate bond issues in USD currency was 73 million as of 31st December 2023, increase of 246%. The increase resulted from new issuance of corporate bonds from NMB Bank Plc, CRDB, NBC Bank Limited, and TMRC.

Financial Performance

DSE’s total income increased by 22%, from TZS 10.07 billion in 2022 to TZS 12.23 billion in 2023. The profit before tax increased to TZS 5.83 billion compared to TZS 4.54 billion in 2022.We have achieved a cost to income ratio of 52% and return on equity and assets of 19% and 17% respectively. The strong financial performance is due to increase in turnover on equity and bonds, increase in listing fees on government revenues, efficient management of our investment portfolio and efficient in cost management.

Following continued good performance, the DSE share price increased by 6% during year 2023, from TZS 1700 in December 2022 to TZS 1,800 per share in December 2023. This resulted into an increase in shareholders’ book value by TZS 2 billion i.e., from the market capitalization of TZS 41 billion in 2022 to a market capitalization of TZS 43 billion in 2023.

Planned and Implemented Activities in Year 2023

To enhance profitability and drive sustainable growth in the year 2023, the DSE Group planned and implemented several strategic activities across various functional areas. These activities aimed at optimizing operations, expanding market reach, and improving overall performance. Here are some of the planned and implemented activities during the year: (i) Attained a market liquidity of 2% of domestic market capitalization, (ii) Admitted three commercial banks as market participants; (iii) promoted the DSE Hisa Kiganjani managed to admit 5,000 new investors; (iv) Increased Data Sales by 2% of the core revenue; (v) Relaunched DEAP and Endeleza in collaboration with other partners and admitted 35 SMEs or start-up companies; (vi) achieved listing of one (1) Sustainable, one (1) Green bond, two (2) normal corporate bonds; (vii) achieved the return on equity and assets of 19% and 17% respectively; and (viii) achieved costs to income ratio of 52%.

The Future Outlook

In 2024 the DSE shall continue the delivery of the new 2023 – 2027 Strategic Plan III which is embedded in the overall DSE objective of “providing a responsive securities exchange that promotes economic development through offering a range of attractive and cost-effective products and services.

More specific, in year 2024, the DSE Group focus will be on implementing the following key initiatives:

(i) Increase Market Liquidity (ii) Widen Market Access; (iii) Increase Market participation (iv) Engagement and Partnerships (v) Leverage on multiple income Streams; and (vi) Enhance systems and processes (vii) People, Culture and Values.

Looking forward and Appreciation

The year 2024 holds immense promise for our Group as we continue our journey towards excellence and innovation. With a steadfast commitment to our strategic goals and a relentless pursuit of growth, we are poised to capitalize on emerging opportunities, navigate challenges, and chart a course towards a future filled with success and prosperity.

I would like to express my sincere appreciation to all our stakeholders—our valued customers, dedicated employees, supportive shareholders, and trusted partners. Your unwavering commitment, tireless efforts, and unwavering support have been instrumental in our achievements thus far. It is your passion, dedication, and collaborative spirit that drive us forward, inspire us to reach new heights, and reinforce our belief in the power of collective effort. As we embark on this journey together, let us continue to work hand in hand, united in our shared vision and collective pursuit of excellence. Thank you for your invaluable contributions, and I look forward to our continued success together.

Mary S. Mniwasa
Acting Chief Executive Officer

Date: 2024

The Report by those charged with Governance

1. Introduction

The Board of Directors of the Dar es Salaam Stock Exchange Public Limited Company ("DSE or Exchange") have the pleasure to present its report together with the audited financial statements for the year ended 31 December 2023 which discloses the state of affairs of the DSE and its subsidiary, CSD & Registry Company Limited (CSDR) (together "Group") as at that date.

2. Incorporation

The Dar es Salaam Stock Exchange Public Limited Company was incorporated in 1996 under the Tanzania Companies Act, Cap 212 (hereinafter, the Companies Act) as a limited liability company by guarantee. DSE started its operations in April 1998. On 26th June 2015, the Company changed its registration from mutual status to a company owned by shareholders (Public Limited Company) and subsequently changing its name from Dar es Salaam Stock Exchange Limited to Dar es Salaam Stock Exchange Public Limited Company and subsequently issued shares to the public and self-listed on 12th July 2016.

3. VISION

To be a preferred avenue for capital raising and sustainable investment.

4. MISSION

To maximize stakeholders' value by providing sustainable investment opportunities and an efficient allocation of capital.

5. Principal Activities

The principal activity of the DSE is to provide securities market to investors who intend to invest in the listed companies. The Exchange provides a platform that assists companies to raise capital through the issuance of equities and debt securities and subsequently list into the Exchange.

6. RESULTS AND DIVIDENDS

During the year ended 31 December 2023, the Group recorded before tax profit of TZS 5,833 million (2022: TZS 4,536), hence earning an increase of 29% in profit before tax. For the year 2023 the directors paid a final dividend of TZS 2,764 million in relation to year 2022 performance results (2022: TZS 2,398 million in relation to year 2021), the increase of 15%, the dividend paid for year 2022 is equivalent to increase in per share dividend of TZS 116.00 compared 2021 of TZS 100.67. For the year 2023, the directors are proposing the final dividend of 61% of Group's profit after tax i.e., TZS 3,454 million that is equivalent to dividend per share of TZS 145.

7. Financial Perfomance for the Year

Statement of profit or loss and other comprehensive income

During the year ended 31 December 2023 the Group recorded a total income of TZS 12,229 Million (2022: TZS 10,071 Million), the increase in income was due to increase in government listing fees, turnover on equity and bond market segment, the market transacted shares with value of TZS 225 Billion in year 2023 (2022: TZS 134 Billion), increase of 68%, the increase on shares turnover was contributed by one-off transaction that involved the sales of shares of Tanga Cement. On bond market segment the market transacted bonds with value of TZS 3,930 billion (2022: TZS 3,308 billion), increase of 19%.

During the year ended 31 December 2023 the Group incurred total expenses of TZS 6,395 Million (2022: TZS 5,536 Million), the total expenses was higher than the previous year expenses by 16% due to increase in staff cost following salary increments, Bonus to staff , ICT expenses which includes the license expenses, the license expense varies with the level of activities in the markets, the year 2023 was impressive in terms of bonds and equity turnover hence higher the expenses in ICT (Licenses fee) and increase in other operating activities.

During the year ended 31 December 2023 the DSE Group recorded a before tax profit of TZS 5,833 million (2022: TZS 4,536 million). The increase on profit was mainly attributed by increase in turnover on the equity and bond, increase in government listing fees due to more issuance of the government bonds, increase in the finance income due to efficient in management of our investment portfolio.

Statement of financial position

(i) During the year 2023, the total asset of the DSE Group grew to TZS 34,819 million from TZS 31,529 million, the growth of 10.4%, the increase was due to the increase in the funds obtained from the operations which was placed in short term deposits.

(ii) During the year the non-current assets increased to TZS 14,263 million from TZS 13,288 million, while the current assets increased to TZS 20,555 million in 2023 from TZS 18,240 million in 2022, the increase of 12.7%, the increase in the current assets was due to increase in funds obtained from our operations and the same were invested in the short-term deposit.

(iii) The leasehold land and building have slightly decreased due to depreciation of our disaster recovery site building.

(iv) Property plant and equipment's has decreased by 23%, from TZS 111 million in year 2022 to TZS 85 million in 2023, due to depreciation of the assets.

The DSE Group performance in relation to the budget is outlined below:

Comparison between Actual and Budget for year 2022 (TZS Million)

	2023 Actual	2023 Budget	2023 % of Variance
Total Income	12,228	11,282	8%
Total Expenses	6,395	6,663	4%
Profit Before Tax	5,833	4,619	26%
Corporate Tax	137	114	(20)%
Profit After Tax	5,696	4,505	26%

During the year ended 31 December 2023, the DSE Group recorded a total Income of TZS 12,229 million (budget: TZS 11,282 million), the total income was higher than the budget by 8% due to:

i. Higher turnover in equity than projected, the actual turnover was TZS 225 billion against the budgeted turnover of TZS 153 billion (higher by 47%).

ii. Higher bonds turnover, actual turnover was TZS 3,930 billion (budget TZS 3,339 billion) increase of 18%. Bonds turnover was higher due to increase in liquidity in both primary and secondary market.

During the year ended 31 December 2023, the DSE Group incurred total expenses of TZS 6,395 million (Budget: TZS 6,663 million), the expenses were lower than the budget by 4%, this is due to efficient in the monitoring our expenses against budget and savings realised due to decrease in number of staff that were budgeted in year 2023.

The Group financial performance highlights from the year 2019 to year 2023.

	2019	2020	2021	2022	2023
Market Closing Price	980	880	1,300	1700	1800
Number of Shares in Issue	23,824,000	23,824,000	23,824,000	23,824,000	23,824,000

Performance Indicator	Calculate Method	Summary of Key Ratios				
		2019	2020	2021	2022	2023
Return on Equity	PAT/Equity	16%	19%	15%	17%	19%
Return on Assets	PAT/ Total Assets	15%	16%	14%	15%	17%
Cost to Income	Total cost/Total Income	56%	52%	54%	55%	52%

Share performance ratio							
	Calculated Method		**2019**	**2020**	**2021**	**2022**	**2023**
Earnings per share	PAT/Number of Shares	TZS	149	195	167	188	239
Dividend Per Share	Dividend/Number of Shares	TZS	37	74	101	116	145
Dividend (Cover times)	EPS/Dividend per share	Times	4.0	2.6	1.4	1.9	2
Dividend Yield	Dividend Per share/Closing Price	%	3.8%	8.4%	8.9%	7.8%	8.1%
Price Earnings Ratio	Closing share Price/EPS	Times	6.5	4.5	7.8	8.8	6.6
Net asset value per share (NAV)	Net Assets/ Number of shares in issue	TZS	926	1,046	1,096	1,181	1,304
Price to Book Value	Closing share price/Net asset value per share	Times	1.1	0.8	1.2	1.4	1.4
Market Capitalization	Closing share price times, number of shares in issue	Millions	23,348	20,965	30,971	40,500	42,912

From the above table, both returns to shareholders and assets increased from 17% and 15% to 19% and 17% respectively in year 2023 compared to year 2022, the increase has been attributed by the increase in the profitability in year 2023.

The DSE closed with the market stock price of TZS 1,800 compared to the last year market stock price of TZS 1700, the increase in price, by 6%, has increased the DSE market capitalization from TZS 41 billion in 2022 to TZS 43 billion in 2023.

Dividend paid per share has increased from 101 in 2022 to 116 2023, the increase of 3%, directors are proposing dividend per share of TZS 145 for year 2023 results, that will be paid in year 2024.

Statement of cash flows

(i) During the year, the group had positive cash flow generated from the operating activities of TZS 2,359 million (2022: TZS 1,524 million), this was attributed by the funds collected from the outstanding receivables with customers.]

(ii) The Group had also the positive cash flow from its fund generated in the investing activities of TZS 484 million (2022: TZS 849 million), this was due to the fund received from the short-term investments.

(iii) The Group used the funds that was generated from the operating and investing activities to pay for the dividends to shareholders, the net amount of outflow from the financing activities for year 2023 was TZS 2,764 million (2022: TZS 2,398 million).

8. Value Added

Value added results for the Group during 2023 for its operations and serving as well as servicing its various stakeholders are;

Details	**2023**	**2022**
Value Added	TZS' Million	TZS' Million
Income realised from Exchange operations	12,229	10,071
Value allocated to different Stakeholders		
To Human Capital		
Salaries and Wages	2,684	2,395
To Government		
Taxes to Government	1,860	1,664
To Shareholders		
Dividend to Shareholders (excluding Government)	2,349	2,038
Dividend to Government	415	360

Taxes to Governments includes PAYE, SDL, Corporate Tax, VAT, and other taxes that were paid by the Group.

9. Market Performance

The Market Operational performance of the Exchange during the year 2019 to 2023 was highlighted on the table below as:

Particular		2023	2022	2021	2020
Total Market capitalization	TZS (billions)	14,611	15,685	15,809	15,095
Domestic Market capitalization	(TZS billions)	11,401	10,280	9,426	9,162
Value of shares traded	(TZS billions)	225	134	104	591
Value of bonds Government traded	(TZS billions)	3,930	3,045	2,562	2,070
Value of bonds Corporate traded	(TZS millions)	1,169	710	1,565	1,423
Value of outstanding listed Government bonds	(TZS billions)	20,236	17,088	15,243	12,666
Value of outstanding Corporate Bonds	(TZS billions)	538	144	129	143
Value of outstanding Corporate Bonds	(USD millions)	73	-	-	-
All shares index	(DSEI)(Points)	1,750	1,882	1,897	1,817
Tanzania Share Index	(TSI)(Points)	4,304	3,889	3,565	3,485

10. Investment Management Policy (Treasury Management)

The investment policy of Dar es Salaam Stock Exchange Public Limited Company (DSE) Group is designed to ensure prudent management of our financial resources while maximizing returns within an acceptable level of risk. Key aspects of Group investment policy include;

i) Objectives

The Group primary objective is to preserve capital while achieving competitive returns to support the Group's strategic initiatives, growth, and shareholder value.

ii) Risk Management

The Exchange employ a disciplined approach to risk management, diversifying investments across asset classes, sectors to mitigate potential losses. We regularly assess risk tolerance and adjust investment strategies accordingly.

iii) Liquidity Management

The Exchange maintains sufficient liquidity to meet operational needs and unexpected contingencies, while also considering opportunities for strategic investments that may arise.

iv) Assets Allocation

The Exchange investment strategy emphasizes a balanced and diversified portfolio, blending fixed-income securities, short term deposits, alternative investments, and cash equivalents to optimize risk-adjusted returns.

v) Due diligence

Prior to making any investment, thorough due diligence is conducted to assess the financial stability, performance track record, management quality, and regulatory compliance of potential investments.

vi) Compliance and Governance

The Exchange investment decisions adhere to all relevant laws, regulations, and internal policies. We prioritize transparency, accountability, and ethical conduct in our investment practices.

vii) Monitoring and Evaluation

The Exchange continuously monitors the performance of our investment portfolio, regularly reviewing asset allocation, performance metrics, and market conditions to identify opportunities for optimization or rebalancing.

Overall, DSE Group investment policy reflects a commitment to responsible stewardship of our Group's assets, aligning investment decisions with our long-term strategic objectives and risk appetite while maintaining flexibility to adapt to changing market conditions.

The Group current has 62% of its investment in the short-term deposits with Banks and 37% invested in Government Securities (Treasury-Bonds) and 1% in unit trust funds; hence credit risk is a major principal risk. Other risks faced by the DSE from its treasury management activities are liquidity, inflation, and market risks.

The following are mitigation measure for the above-mentioned risks that are covered under Group investment management policy:

	Type of Risk	Mitigation Measure
a.	Credit Risk	DSE Investment Management Committee will ensure placement of fixed deposits is made with commercial banks approved by the Board.
b.	Interest Risk	Ensure investment maturities are staggered to avoid maturities concentrations; Ensure investment allocation to investment types as prescribed by this Policy to maximize interest return; and Have a portfolio diversification as prescribed by the Policy.
c.	Inflation Risk	Ensure investments are made in assets class that gives a return of 1% above inflation rate as prescribed by the Policy.
d.	Liquidity Risk	Ensure investment maturities coincide with operational and strategic cash requirement. Also ensure investment is made to commercial banks that have sufficient liquidity ratios as prescribed by the Bank of Tanzania.

11. Business Objectives and Strategies

The Exchange objective is to facilitate efficient and transparent trading of securities while fostering market integrity and investor confidence through a combination of regulatory compliance, technological innovation, and market development initiatives.

In order to enhance values to our shareholders and stakeholders, the Exchange has set goals and strategies to deliver sustainable profitable growth and during the year the Board has been able to achieve the below strategic objectives set out in the new five-year strategic plan III 2023 to 2027:

(i) Listing two sustainable bonds from NMB and CRDB banks with the total amount raised of TZS 611 billion combined;

(ii) Enhancement of the HISA Kiganjani, the app for trading platform;

(iii) Increased number of participants to our DEAP and ENDELEZA program;

(iv) Engaged potential issuers through Alternative Project financing like Tanga AUWASA, Tanga AUWASA expects to list in Q2 2024;

(v) Achieved Return on equity of 19% and return on assets of 17%; and

(vi) Achieved Cost to income ratio of 52%.

In the year 2024, the exchange is planning to accomplish the following strategic objectives in order to enhance the shareholders values:

(i) Increase Market liquidity, through the review of trading mechanism, regulatory framework, enhance pre-trade transparency and order management process;

(ii) Widen Market Access, through enhancement of cross-border partnerships, Promote the usage DSE Digital trading platform and Integration of the DSE trading platform with other potential platforms;

(iii) Leverage on multiple income streams and efficient resources utilization;

(iv) Enhance systems and processes by enhancement of the digital platforms and system; and

(v) Relocate to the Exchange Square building.

12. Future Prospects and Developments

DSE expects to exert more efforts on liquidity creation and or liquidity enhancements on the understanding that market liquidity is a major factor that hinders levels of developments at both primary and secondary market activities. For the primary market, market illiquidity is causing high cost of capital to potential issuers, while also hindering innovations for introduction of other non-traditional products like derivative and indexed products.

The level of market liquidity is a prerequisite to any initiative on the introduction of derivatives products. These efforts on liquidity enhancements expect to increase market liquidity from an average of 1.24% to 2% in year 2024. The five-year target is to reach market liquidity ratio of 5%.

13. Corporate Governance

The Group has demonstrated a strong commitment to corporate governance, focusing on various areas to ensure transparency, accountability, and ethical conduct throughout its operations. Here's a summary of the key areas in which the exchange has performed well in terms of corporate governance:

(i) Board Structure and Composition:

The Group has established a robust Board structure with appropriate composition, including diverse expertise, experience, and independence. All Board members, except the Chief Executive Officer (CEO), are Non-Executive Directors. The positions of Chairman and Chief Executive Officer (CEO) are held by two different people.

(ii) Board Oversight and Committees:

The Board exercises diligent oversight over the organization's activities through the establishment of various substantive and ad hoc committees. These committees, such as the Audit Risk and Compliance Committee, provide specialized expertise and scrutiny in key areas, including financial reporting, risk management, and compliance.

(iii) Risk Management and Compliance:

The organization places a strong emphasis on risk management and compliance, proactively identifying, assessing, and mitigating risks that may impact its operations. Through robust risk management frameworks and compliance programs, the organization adheres to regulatory requirements and industry best practices, safeguarding its reputation and integrity.

(iv) Transparency and Disclosure:

The Exchange prioritizes transparency and disclosure, providing stakeholders with timely, accurate, and comprehensive information about its performance, governance practices, and financial position. Regular communication through annual reports, financial statements, and investor communications fosters trusts and confidence among stakeholders.

(v) Ethical Conduct and Corporate Culture:

The Exchange fosters a culture of integrity, ethical conduct, and accountability at all levels. By promoting values such as honesty, fairness, and respect, the organization cultivates a positive work environment and ensures that employees adhere to high ethical standards in their interactions with stakeholders.

(vi) Stakeholder Engagement:

The Exchange actively engages with stakeholders, including shareholders, employees, customers, regulators, and the community. By soliciting feedback, addressing concerns, and fostering open dialogue, the organization enhances trust, builds relationships, and aligns its activities with stakeholder expectations.

Overall, the Group's performance in the area of corporate governance reflects a strong commitment to upholding principles of good governance, safeguarding stakeholders' interests, and promoting sustainable long-term value creation.

14. Board of Directors of the Exchange

The Board of directors who held office during the period up to the date of this report were as follows:

Name	Position	Qualifications	Nationality	Age	Date Appointed	Date Resigned
Dr. Elinami Minja	Chairman	PhD. (Economics), CPA (T), MBA, B. Com (Accounting)	Tanzanian	59	20 March 2019	
Deogratias Laballa	Non-Ex. Director	MA in Revenue Law and Tax Administration, B. Com (Accounting), ACPA (T)	Tanzanian	47	2 July 2019	23 June, 2023
Fadhili J. Manongi	Non-Ex. Director	BA (Economics and Finance), MA-Development Economics	Tanzanian	69	11 July 2019	

Name	Position	Qualifications	Nationality	Age	Date Appointed	Date Resigned
Beng'i Mazana Issa	Non-Ex. Director	ACPA, MSC. In Financial Management, Adv. Diploma in Certified Accountancy.	Tanzanian	57	9 August 2019	
Selestine J. Some	Non-Ex. Director	MBA – Finance, B. Com (Accounting), ACPA, Certified Professional Banker (CPB)	Tanzanian	47	9 August 2019	
Dr. Abdiel Abayo	Non-Ex. Director	PhD. (Accounting and Finance), MBA, B. Com	Tanzanian	70	9 August 2019	
Layson Mwanjisi	Non-Ex. Director	ACPA, MBA, B. Com (Accounting)	Tanzanian	47	9 August 2019	
Mary S. Mniwasa	Ag. CEO -Executive Director	LL.B, LL.M (Banking & Corporate Law), Advocate	Tanzanian	54	23 May, 2022	

The Group paid a total of TZS 149,700,000 as Directors' fees (2022: TZS 159,450,000).

15. Meetings and Activities of the Boards

The Board met 11 times during the period January 2023 to 31 December 2023 as indicated below

Name	3rd April	8th May	23rd May	25th Aug	22nd Sept	28th Nov	7th Dec
Dr. Elinami Minja	√	√	√	√	√	√	√
Dr. Abdiel Abayo	√	√	√	-	√	√	√
Ms. Beng'i M. Issa	-	-	-	√	√	√	
Mr. Deogratias Laballa	-	-	√	-	-	-	-
Ms. Mary S. Mniwasa	√	√	√	√	√	√	√
Mr. Layson Mwanjisi	√	√	√	√	√	-	√
Mr. Fadhili Manongi	√	√	√	√	√	√	√
Mr. Selestine J. Some	√	√	√	-	√	-	√

The Board discussed and resolved matters recommended by its standing committees and provided directives to management on operational matters. The Board is supported by the following Committees as at 31 December 2023.

(a) Listing and Trading Committee (LTC)

Name	Position	Qualifications	Nationality
Dr. Abdiel Abayo	Chairman	PhD. (Accounting and Finance), MBA, B. Com.	Tanzanian
Mr. Selestine J. Some	Member	MBA – Finance, B. Com (Accounting), ACPA, Certified Professional Banker (CPB).	Tanzanian
Mr. Layson Mwanjisi	Member	ACPA, MBA, B.COM(Accounting).	Tanzanian
Ms. Mary S. Mniwasa	CEO	LL. B, LL.M (Banking & Corporate Law), Advocate.	Tanzanian

The LTC Committee reports to the DSE Board. The LTC Committee met Seven (7) times during the period. The committee deliberated on different applications for listing.

(b) Finance and Administration Committee

Name	Position	Qualifications	Nationality
Ms. Beng'i Mazana Issa	Chairperson	ACPA, MSC. - in Financial Management, Adv. Diploma in Certified Accountancy.	Tanzanian
Dr. Abdiel Abayo	Member	PhD. (Accounting and Finance), MBA, B. Com	Tanzanian
Mr. Selestine J. Some	Member	MBA – Finance, B. Com (Accounting), ACPA, Certified Professional Banker (CPB).	Tanzanian
Ms. Mary S. Mniwasa	CEO	LL. B, LL.M (Banking & Corporate Law), Advocate.	Tanzanian

The Finance and Administration Committee reports to the DSE Board. The Committee met Eight (8) times to discuss various issues on staff matters and application of the new associate members.

(c) Audit, Risk and Compliance Committee

Sal	Name	Position	Qualifications	Nationality
Mr.	Deogratias Laballa	Chairperson	MA in Revenue Law and Tax Administration, B. Com (Accounting), ACPA.	Tanzanian
Ms.	Beng'i Mazana Issa	Member	ACPA, MSC. In Financial Management, Adv. Diploma in Certified Accountancy.	Tanzanian
Mr.	Fadhili Manongi	Member	BA (Economics and Finance), MA in Development Economics.	Tanzanian
Ms.	Mary S. Mniwasa	CEO	LL.B, LL.M (Banking & Corporate Law), Advocate.	Tanzanian

Audit, Risk and Compliance Committee reports to the Board. ARC Committee met four (4) times during the period to discuss on various matters such as DSE Quarterly Financial Reports, Internal Audit Reports and DSE External Audit for the period ended 31 December 2023.

16. Directors Evaluation and Training

The Board itself regularly undergoes self-assessment and evaluation in order to improve the internal Governance of the Board.

Training is provided in order to ensure the Board keeps abreast with current developments in the market.

17. MANAGEMENT

The management of the DSE is under the Chief Executive Officer and organized on the following departments and units:

(i) Finance Department;

(ii) Legal and Company Secretariat Department;

(iii) Business Development Department;

(iv) Trading and Market Operations Department;

(v) ICT Department;

(vi) Internal Audit Unit;

(vii) Human Resources and Administration Unit;

(viii) Risk and Compliance Unit; and

(ix) Training and Information Unit.

18. Solvency

DSE Public Limited Company's is financed solely from its shareholder's funds and internally generated income from the operation and investments. These funds are used to run DSE's operations with a view to generate profits and distribution to shareholders in term of dividends payments. As at December 31, 2023, these stood at Issued Share Capital of TZS. 9,530 million, Share Premium of TZS. 1,850 million And Retained earnings of TZS 19,549 million.

Financial resources are required to meet the DSE objectives that incudes to operate the business, support growth, expansion, and innovation.

The Board of Directors of the DSE confirms that applicable accounting standards have been followed and that the financial statements have been prepared on a going concern basis.

The Board Members consider the DSE to be solvent within the meaning ascribed by the Tanzanian Companies Act, 2002.

19. SCOPE OF BUSINESS

The DSE is a duly approved Exchange under Capital Markets and Securities Act, 1994 (Cap 79). It is a modern securities exchange providing full electronic trading, clearing and settlement of securities (shares and bonds). It is also a Self-Regulatory Organization (SRO) for the purpose for maintaining the integrity of the market and plays a role of educator on matters relating to capital markets.

20. CAPITAL STRUCTURE

Dar es Salaam Stock Exchange Public Limited Company (DSE) was incorporated in 1996 under the Tanzanian Companies Act, as a body corporate (limited by guarantee). The Exchange was created, among other things, to facilitate the Government's implementation of the economic reforms and enabling the private sector to raise long term capital. DSE changed its legal status from a company limited by guarantee to a company limited by shares and its name to Dar es Salaam Stock Exchange Public Limited Company and subsequently issued shares to the public and thereafter self-listed its shares on its own Exchange on 12th July 2016. The principal objective of the Exchange is to provide a securities market to investors who intend to invest in the listed companies.

The capital structure of the Company is outlined in Note 24

DSE's shareholding structure as of 31 December 2023 is as below;

S/N	Shareholder	Number of Shares	Percentage of Share holding
1	The Government of Tanzania through Treasury Registrar	3,574,000	15%
2	SCB (T) NOMINEE RE SCB Mauritius A/C Briarwood Chase Management LLC A/C Briarwood Capital Partners LP	1,978,314	8%
3	BNYM RE The Miri Strategic Emerging Markets Fund LP	3,085,931	13%
4	Zanzibar Social Security Fund	2,000,000	9%
5	National Investments Company Limited	1,285,831	5%
6	General Public	11,899,944	50%
	Total	**23,824,020**	**100%**

21. Stakeholders Relationship

DSE actively engages with its key stakeholder groups. In 2023 engaged in signing MOU with Tanzania Institute of Directors, the two institutions will be collaborating in conducting training to members of listed companies.

The United Nations Sustainable Stock Exchanges Initiative (UN SSE) to encourage sustainable running of stock exchanges and work closely with Committee of SADC Stock Exchanges (CoSSE).

The African Securities Exchanges Association (ASEA) and sits in several working groups of the World Federation of Exchanges (WFE), influencing global policies affecting world exchanges.

22. Risk Management and Internal Control

The Board accepts final responsibility for the risk management and internal control systems of the Exchange. It is the task of management to ensure that adequate internal financial and operational control systems are developed and maintained on an on-going basis to provide reasonable assurance regarding:

(i) The effectiveness and efficiency of operations;

(ii) The safeguarding of the Exchange's assets;

(iii) Compliance with applicable laws and regulations;

(iv) The reliability of accounting records;

(v) Business sustainability under normal as well as adverse conditions; and

(vi) Responsible behaviours towards all stakeholders.

The efficiency of any internal control system is dependent on the strict observance of prescribed measures. There is always a risk of non-compliance of such measures by staff. Whilst no system of internal control can provide absolute assurance against misstatement or losses, the Exchange system is designed to provide the Board with reasonable assurance that the procedures in place are operating effectively.

The Board assessed the internal control systems throughout the financial year ended 31 December 2023 and is of the opinion that they met the accepted criteria.

The Board carries risk and internal control assessment through the Audit, Risk and Compliance Committee.

A summary of the risk management procedures is disclosed in Note 6

23. TECHNOLOGY AND INNOVATION

The DSE core operations has the robust ICT infrastructures that comprises the Automated Trading System (ATS), the CSD System, Registry Services System, Accounting System, and the Human Resources Management System coupled with comprehensive software, hardware, and disaster recovery resources.

DSE in year 2023 was able to revamp and develop a new website; the new website contains improved features and appearances that provide more visibility of information to the investors and public at large.

24. Environmental, Social, and Governance

DSE remain conscious of Environmental, Social and Governance issues and in so doing the DSE partner with the other stakeholders like World Federation of Exchange (WFE), UN-Women and women-GLN in promoting gender equality and women empowerment in the society. In the year 2023 the DSE organized the Ringing the Bell for Gender Equality event with the theme ''Women in Leadership - Achieving an Equal Future in a Challenging World'' The event held at DSE on 8th March 2023.

25. Corporate Social Responsibility

The DSE conscious of encouraging good corporate citizenship, DSE enabled students from Schools, Universities, and other learning institutions to access its actual data and virtual trading platform to learning practically on how to save and invest via a Stock Exchange, and this was executed as part of the public education campaign through its DSE Scholar Investment Challenge Programme. The DSE also allocated its resources in building financial capacity and financial literacy to students and the public at large.

26. EMPLOYEES WELFARE

Health and Medical Care

The DSE provides medical insurance to staff and their families through Strategis Insurance (Tanzania) Limited. This is a renewable one-year contract. During the period, services received from the service providers were generally satisfactory.

Pensions Contributions

The employee and employer contribute to NSSF. The Group does not contribute to any other Pension Fund.

Staff Complement

As at 31st December 2023, the DSE Group had 31 employees, out of which 9 were female and 22 were male. In 2022 a total 29 staff; 9 staff were female and 20 were male. The number of staff increased during the year due to recruitment in the post of accountants.

27. Related Party Transactions

Details of the related party of transactions and balances are included in Note 28.

28. RESOURCE

The group has employees with appropriate skills and experience in running the Exchange and are a key resource available to the Exchange and these resources facilitate the enhancement of shareholders value by ensuring the organization is achieving its sets objectives both short term and long run.

29. Auditors

The auditor, who were appointed for the year ended, has expressed their willingness to continue in office and is eligible for reappointment. A resolution proposing the reappointment of KPMG as auditor of the Group and the Company for the year ending 31 December 2024 will be put to the Annual General Meeting.

30. Responsibility by those Charged with Governance

The members charged with governance accept responsibility for preparing consolidated and separate financial statements which show a true and fair view of the Group to the date of approval of the audited financial statements, in accordance with the applicable standards, rules, regulations and legal provisions. The members also confirm compliance with the provisions of the requirements of TFRS 1 and all other statutory legislations relevant to the Company.

By Order of Those Charged with Governance

Approved by the Board of Directors on 22.06.2024 and signed on its behalf by:

....
Dr. Elinami Minja
Chairman of the Board

....
Date 22.06.2024

....
Mary Mniwasa
Mary S. Mniwasa
Acting Chief Executive Officer

....
Date 22.06.2024

Statement of Director’s Responsibilities

The Group’s Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view of the Dar es Salaam Stock Exchange Plc Group comprising the consolidated and separate statements of financial position as at 31 December 2023, the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and the notes to the financial statements, which include material accounting policies, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2002.

The Directors are also responsible for such internal control as the management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the ability of the Group to continue as going concern and have no reason to believe that the Group will not be a going concern at least for the next twelve months from the date of approval of these financial statements.

The auditor is responsible for reporting on whether the consolidated and separate financial statements give a true and fair view in accordance with the applicable financial reporting framework.

Approval of financial statements

The consolidated and separate financial statements of Dar es Salaam Stock Exchange Plc, as identified in the first paragraph, were approved, and authorised for issue by the Directors on .... 2024 and signed by:

Dr. Elinami MInja
Chairman of the Board

.... 22.06.2024 ....

Dr. Elinami Minja **Date**
Chairman of the Board

.... 22.06.2024 ....

Mary Mnlwasa

Mary S. Mnlwasa **Date**
Acting Chief Executive Officer

Declaration of the Head of Finance

The National Board of Accountants and Auditors (NBAA) according to the power conferred under the Auditors and Accountants (Registration) Act No. 33 of 1972, as amended by Act No. 2 of 1995, requires financial statements to be accompanied with a declaration issued by the Head of Finance responsible for the preparation of financial statements of the entity concerned.

It is the duty of a Professional Accountant to assist the Board of Directors to discharge the responsibility of preparing financial statements of an entity showing true and fair view of the entity position and performance in accordance with applicable International Accounting Standards and statutory financial reporting requirements.

Full legal responsibility for the preparation of financial statements rests with the Board of Directors as under Statement of Directors' Responsibilities on an earlier page.

I, **Lucas Sinkala** being the Head of Finance of Dar es Salaam Stock Exchange Plc hereby acknowledge my responsibility of ensuring that the consolidated and separate financial statements for the year ended 31 December 2023 have been prepared in compliance with the applicable accounting standards and statutory requirements.

I thus confirm that the consolidated and separate financial statements comply with applicable accounting standards and statutory requirement as on that date and that they have been prepared based on properly maintained financial records.

Signed by: ....

Name: Lucas Sinkala

Position: Head of Finance

NBAA Membership No.: ACPA 3689

Date: 22.06.2024

Independent Auditor's Report

To The Members of Dar Es Salaam Stock Exchange Public Limited Company

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Dar es Salaam Stock Exchange Public Limited Company ("the Group and Company") as set out on pages 31 to 86, which comprise the consolidated and separate statement of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statement of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the consolidated and separate financial position of the Dar es Salaam Stock Exchange Public Limited Company as at 31 December 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards) and in the manner required by the Companies Act, 2002.

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 consolidated and separate financial statements* section of our report. We are independent of the Group and the Company in accordance with International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audits of the consolidated and separate financial statements in Tanzania, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

Other Matter:

The consolidated and separate financial statements of Dar es Salaam Stock Exchange Public Limited Company as at and for the year ended 31 December 2022 were audited by another auditor who expressed an unmodified opinion on those statements on 9 June 2023.

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the *Dar es Salaam Stock Exchange Public Limited Company Annual Report and Consolidated & Separate financial statement for the year ended 31 December 2023*, but does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

The Directors are responsible for the preparation of consolidated and separate financial statements that give a true and fair view in accordance with IFRS Accounting Standards and in the manner required by the Companies Act, 2002 and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and 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 the Directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' 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 Group's and 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 consolidated and separate 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 Group and / or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG
Certified Public Accountants (T)

Signed by: CPA Vincent Onjala (TACPA 2722)
Dar es Salaam
Date: 23.06.2024

Report on other Legal and Regulatory Requirements

As required by the Companies Act, 2002 we report to you, solely based on our audit of the consolidated and separate financial statements that:

- in our opinion, proper accounting records have been kept by Dar es Salaam Stock Exchange Public Limited Company;
- the individual accounts are in agreement with the accounting records of the Group and Company;
- we obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit;
- directors' report is consistent with the consolidated and separate financial statements; and
- information specified by the law regarding Directors' emoluments and other transactions with the Group and the Company is disclosed.

Statements of Profit or Loss and other Comprehensive Income

for the year ended 31 December 2023

	Notes	Group		Company	
		2023	2022	2023	2022
		TZS'000	TZS'000	TZS'000	TZS'000
Revenue from contract with customers	8	8,647,070	6,715,558	6,830,400	5,273,447
Other income	9	182,279	193,392	314,714	341,173
Administrative expenses	10	(6,319,676)	(5,508,592)	(4,992,574)	(4,268,224)
Impairment (charge)/release	6(a)	(75,869)	(27,008)	(20,698)	842
Operating profit		**2,433,804**	**1,373,350**	**2,131,842**	**1,347,238**
Finance income	11	3,399,268	3,162,583	3,266,718	3,028,103
Operating profit before tax		**5,833,072**	4,535,933	**5,398,560**	4,375,341
Income tax expense	12(a)	(137,001)	(53,280)	-	-
Net profit for the year		5,696,071	4,482,653	5,398,560	4,375,341
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Loss on revaluation	16	**-**	(86,331)	**-**	(86,331)
Total comprehensive income		**5,696,071**	**4,396,322**	**5,398,560**	**4,289,010**
Basic earnings per share (TZS)	29	239.09	188.16	226.60	183.65
Diluted earnings per share (TZS)	29	239.09	188.16	226.60	183.65

The notes on pages 36 to 86 form part of these consolidated and separate financial statements.

Report of the Auditor – pages 27-30

Statements of Financial Position

as at 31 December 2023

	Notes	Group		Company	
		2023	2022	2023	2022
		TZS'000	TZS'000	TZS'000	TZS'000
ASSETS					
Non-current assets					
Property and equipment	13	84,704	110,704	68,615	90,879
Non-current prepayment	14	3,119,672	2,819,584	3,119,672	2,819,584
Intangible asset	15	149,824	120,476	149,824	120,476
Leasehold land and building	16	231,892	234,267	231,892	234,267
Investment in subsidiary	17	-	-	227,867	227,867
Government securities	19	9,881,550	9,878,294	9,881,550	9,878,294
Loan to DSE SACCOS	20	58,505	107,143	58,505	107,143
Investment in Unit Trust	22	702,493	-	702,493	-
Deferred tax asset	12(d)	34,602	17,751	-	-
		14,263,242	13,288,219	**14,440,418**	13,478,520
Current assets					
Income tax receivables	12(c)	33,410	90,240	-	-
Trade and other receivables	18	1,890,485	1,432,246	1,406,307	1,095,297
Loan to DSE SACCOS	20	48,638	46,700	48,638	46,700
Short term deposits	21	18,447,182	16,613,943	17,253,680	15,539,428
Restricted bank balance	23	10	958	10	958
Cash and cash equivalents	23	135,867	56,363	90,616	25,587
		20,555,592	**18,240,450**	**18,799,251**	**16,707,970**
TOTAL ASSETS		**34,818,834**	**31,528,669**	**33,239,669**	**30,186,480**
EQUITY AND LIABILITIES					
Equity					
Share capital	26(a)	9,529,608	9,529,608	9,529,608	9,529,608
Share premium	26(b)	1,850,374	1,850,374	1,850,374	1,850,374
Retained earnings		19,549,187	16,614,327	18,353,088	15,715,739
Revaluation surplus	26(c)	105,854	108,229	105,854	108,229
Car loan fund	24	35,000	35,000	35,000	35,000
		31,070,023	**28,137,538**	**29,873,924**	**27,238,950**
Non-current liabilities					
Capital grants	25(a)	1,093,165	1,147,853	1,093,165	1,147,853
		1,093,165	**1,147,853**	**1,093,165**	**1,147,853**
Current liabilities					
Revenue grant	25(b)	-	22,985	-	22,985
Contract liabilities	27(a)	1,138,367	909,266	1,138,367	909,266
Trade and other payables	27(b)	1,517,279	1,311,027	1,134,213	867,426
		2,655,646	**2,243,278**	**2,272,580**	**1,799,677**
TOTAL EQUITY AND LIABILITIES		**34,818,834**	**31,528,669**	**33,239,669**	**30,186,480**

The financial statements on page 31 to 86 were approved by the Board of directors and signed on its behalf by:

Dr. Elinami Minja
Chairman of the Board

Dr. Elinami Minja **Signature:**........................ **Date:** 22.06.2024

Mary S. Mniwasa **Signature:**........................ **Date:** 22.06.2024

Mary Mniwasa

The notes on pages 36 to 84 form part of these consolidated and separate financial statements.

Report of the Auditor – pages 27-30.

Statements of Changes in Equity

for the year ended 31 December 2023

GROUP	Share capital TZS'000	Share premium TZS'000	Car loan fund TZS'000	Retained earnings TZS'000	Revaluation Surplus TZS'000	Total TZS'000
2023						
At 01 January 2023	9,529,608	1,850,374	35,000	16,614,327	108,229	28,137,538
Transaction with owners						
Dividend paid	-	-	-	(2,763,586)	-	(2,763,586)
	-	**-**	**-**	**(2,763,586)**	**-**	**(2,763,586)**
Other comprehensive income						
Profit for the period	-	-	-	5,696,071	-	5,696,071
Revaluation loss	-	-	-	-	-	-
Transfer of excess depreciation	-	-	-	2,375	(2,375)	-
Total comprehensive income	**-**	**-**	**-**	**5,698,446**	**(2,375)**	**5,696,071**
At 31 December 2023	**9,529,608**	**1,850,374**	**35,000**	**19,549,187**	**105,854**	**31,070,023**
2022						
At 01 January 2022	9,529,608	1,850,374	35,000	14,527,663	196,935	26,139,580
Transaction with owners						
Dividend paid	-	-	-	(2,398,364)	-	(2,398,364)
	-	**-**	**-**	**(2,398,364)**	**-**	**(2,398,364)**
Other comprehensive income						
Profit for the period	-	-	-	4,482,653	-	4,482,653
Revaluation loss	-	-	-	-	(86,331)	(86,331)
Transfer of excess depreciation	-	-	-	2,375	(2,375)	-
Total comprehensive income	**-**	**-**	**-**	**4,485,028**	**(88,706)**	**4,396,322**
At 31 December 2022	**9,529,608**	**1,850,374**	**35,000**	**16,614,327**	**108,229**	**28,137,538**

The notes on pages 36 to 86 form part of these consolidated and separate financial statements.

Report of the Auditor – pages 27-30.

Statements of Changes in Equity (Continued)

for the year ended 31 December 2023

COMPANY	**Share capital TZS'000**	**Share premium TZS'000**	**Car loan fund TZS'000**	**Retained earnings TZS'000**	**Revaluation Surplus TZS'000**	**Total TZS'000**
2023						
At 01 January 2023	9,529,608	1,850,374	35,000	15,715,739	108,229	27,238,950
Transactions with owners						
Dividend paid	-	-	-	(2,763,586)	-	(2,763,586)
	-	**-**	**-**	**(2,763,586)**	**-**	**(2,763,586)**
Other comprehensive income						
Profit for the year	-	-	-	5,398,560	-	5,398,560
Revaluation loss	-	-	-	-	-	-
Transfer of excess depreciation	-	-	-	2,375	(2,375)	-
Total comprehensive income	**-**	**-**	**-**	**5,400,935**	**(2,375)**	**5,398,560**
At 31 December 2023	**9,529,608**	**1,850,374**	**35,000**	**18,353,088**	**105,854**	**29,873,924**
2022						
At 1 January 2022	9,529,608	1,850,374	35,000	13,736,387	196,935	25,348,304
Transactions with owners						
Dividend paid	-	-	-	(2,398,364)	-	(2,398,364)
	-	**-**	**-**	**(2,398,364)**	**-**	**(2,398,364)**
Other comprehensive income						
Profit for the year	-	-	-	4,375,341	-	4,375,341
Revaluation loss	-	-	-	-	(86,331)	(86,331)
Transfer of excess depreciation	-	-	-	2,375	(2,375)	-
Total comprehensive income	**-**	**-**	**-**	**4,377,716**	**(88,706)**	**4,289,010**
At 31 December 2022	**9,529,608**	**1,850,374**	**35,000**	**15,715,739**	**108,229**	**27,238,950**

The notes on pages 36 to 86 form part of these consolidated and separate financial statements.

Report of the Auditor – pages 27-30.

Statements of Cash Flows

for the year ended 31 December 2023

	Notes	Group		Company	
		2023	**2022**	**2023**	**2022**
		TZS'000	**TZS'000**	**TZS'000**	**TZS'000**
OPERATING ACTIVITIES					
Profit after tax		**5,696,071**	4,482,653	**5,398,560**	4,375,341
Adjustment to reconcile profit before tax to net cash flows:					
Depreciation and amortisation		**124,215**	120,571	**115,849**	104,903
Amortisation of grant	25 (a)	**(54,688)**	(54,688)	**(54,688)**	(54,688)
Amortisation of revenue grant	25 (b)	**(22,985)**	(33,879)	**(22,985)**	(33,879)
Finance income	11	**(3,399,268)**	(3,162,583)	**(3,266,718)**	(3,028,103)
Fair value gain through profit or loss		**(2,493)**	-	**(2,493)**	-
Income tax expense		**137,001**	53,280	**-**	-
Cash flows before changes in working capital items		**2,477,853**	1,405,354	**2,167,525**	1,363,574
Changes in working capital items:					
Trade and Other receivables		**(458,239)**	(233,975)	**(311,010)**	(120,585)
Contract liabilities		**229,101**	(579)	**229,101**	(579)
Cash held in restricted deposits	23	**948**	14,047	**948**	14,047
Trade and other payables		**206,252**	455,733	**266,787**	297,369
Net cash flows generated from operating activities		**2,455,915**	1,640,580	**2,353,351**	1,553,826
Income tax paid	12(c)	**(97,023)**	(116,525)	**-**	-
		2,358,892	1,524,055	**2,353,351**	1,553,826
INVESTING ACTIVITIES					
Investment in short term deposits	21	**(1,833,239)**	(2,242,243)	**(1,714,252)**	(2,136,023)
Purchase of units	22	**(700,000)**	-	**(700,000)**	-
Investment in government securities	19	**(3,256)**	(3,148)	**(3,256)**	(3,148)
Loan to DSE SACCO	20	**46,700**	45,972	**46,700**	45,972
Interest received - short term deposits	11	**3,399,268**	3,162,583	**3,266,718**	3,028,103
Purchase of intangibles	16	**(106,168)**	(16,099)	**(106,168)**	(16,099)
Purchase of property and equipment	13	**(19,020)**	(97,749)	**(14,390)**	(83,719)
Prepayment for acquisition of office space	14	**(300,088)**	-	**(300,088)**	-
Net cash flows generated from investing activities		**484,197**	**849,316**	**475,264**	**835,086**
FINANCING ACTIVITIES					
Dividend paid	29	**(2,763,586)**	(2,398,364)	**(2,763,586)**	(2,398,364)
Net cash flows used in financing activities		**(2,763,586)**	**(2,398,364)**	**(2,763,586)**	**(2,398,364)**
Net (decrease)/increase in cash and cash equivalents		**79,503**	(24,993)	**65,029**	(9,452)
Cash and cash equivalents at start of the period		**56,364**	81,356	**25,587**	35,039
Cash and cash equivalent at year end	23	**135,867**	**56,363**	**90,616**	**25,587**

The notes on pages 36 to 86 form part of these consolidated and separate financial statements.

Report of the Auditor – pages 27-30.

Notes

for the year ended 31 December 2023

1. General Information

The Dar es Salaam Stock Exchange Public Limited Company (DSE) was incorporated in 1996 under the Tanzanian Companies Act, as a body corporate (limited by guarantee). DSE changed its legal status from a company limited by guarantee to a company limited by shares and its name to Dar es Salaam Stock Exchange Public Limited Company and issued twenty shares of a nominal value of TZS 400 each on 29th July 2015. In June 2016 DSE issued shares to the public and thereafter self-listed its shares on its own Exchange on 12th July 2016. The principal objective of the Exchange is to provide a securities market to investors who intend to invest in the listed companies.

The Exchange assists companies to raise capital through the issuance of equities and debt securities.

The Exchange is also an instrument for use by Government privatized companies and private companies for raising capital. Under the provisions of the Capital Markets and Securities (CMS) Act, 1994 (as amended), the Capital Markets and Securities Authority regulates the Exchange. The exchange is domiciled in Tanzania and the address of its registered office is: 3rd floor, NHC Kambarage Building, Ufukoni Street, PO Box 70081, Dar es Salaam.

Exchange/Company means Dar es Salaam Stock Exchange Public Limited Company as an entity and Group means the Consolidated results of the Company and its subsidiary CSD & Registry Company Limited.

The consolidated financial statements of the company comprise the company and its subsidiary (together referred to as the “Group”). The separate financial statements are the unconsolidated company financial statements. Where reference is made in the accounting policies to Group or Company it should be interpreted as being applicable to the consolidated or separate financial statements as the context requires.

2. Basis of Preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated. The Group and Company apply the same accounting policies. The financial statements are prepared on the basis of accounting policies applicable to a going concern.

The Group’s consolidated and the Company’s financial statements are prepared in accordance with IFRS Accounting standards and in conformity with the requirements of the Companies Act 2002. The measurement basis applied is the historical cost basis except for leasehold land and buildings which are measured at fair value. The financial statements are presented in Tanzanian Shillings (TZS) rounded to the nearest thousand (‘000’). The preparation of financial statements in conformity with IFRS Accounting standards requires the use of certain critical accounting estimates. It also requires Directors to exercise its judgement in the process of applying the Group’s and Company’s accounting policies. The areas involving a high degree of judgement or complexity, or where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in Note 4.

Basis of measurement

The consolidated and separate financial statements are prepared on the historical cost basis except for leasehold land and buildings which are carried at revalued amount. The material accounting policies are included in Note 3.

Functional and presentation currency

The consolidated and separate financial statements are presented in Tanzanian Shillings (TZS), which is the Exchange’s functional currency and presentation currency.

Notes

for the year ended 31 December 2023

New standards, amendments, and interpretations

a) New standards, amendments, and interpretations effective and adopted during the year

A number of new standards were effective from 1 January 2023, but they did not have material effect on the Group's and Company's financial statements. The Group and Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

New standard or amendments
IFRS 17 and amendments to IFRS 17
Disclosure of Accounting Policies – (Amendments to IAS 1 and IFRS Practice statement 2)
Definition of Accounting Estimate – Amendments to IAS 8
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS
Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)

b) Relevant new standards, amendments and interpretations issued but not yet effective

Several new standards, amendments to standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been applied in preparing these consolidated and separate financial statements. Those which may be relevant to the Company are set out below. The Group and Company do not plan to adopt these standards early. These will be adopted in the period that they become mandatory unless otherwise indicated:

New standard or amendments	Effective for annual periods beginning on or after
Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)	1 January 2024
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)	1 January 2024
Other accounting standards e.g., Lease Liability in a Sale and Leaseback (Amendments to IFRS 16), Lack of Exchangeability (Amendments to IAS 21)	1 January 2024
IFRS S1** General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2** Climate-related Disclosures	1 January 2024
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate of Joint Venture – Amendments to IFRS 10 and IAS 28.	Available for optional adoption/ effective date deferred indefinitely
IFRS 19 — Subsidiaries without Public Accountability: Disclosures IFRS 19 specifies reduced disclosure requirements that an eligible entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards.	1 January 2027

Amendment to IAS 1, 'Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants'

The amendment aims to clarify the requirements on determining whether a liability is current or non-current and require new disclosures for non-current liabilities that are subject to future covenants.

The Group and Company is currently evaluating the potential impact of the new standard on the consolidated and separate financial statements.

Amendments to Amendments to IAS 7 and IFRS 7: Supplier Finance Arrangements

The amendments introduce new disclosures relating to supplier finance arrangements that assist users of the financial statements to assess the effects of these arrangements on an entity's liabilities and cash flows and on an entity's exposure to liquidity risk differences.

The Group and Company is currently evaluating the potential impact of the new standard on the consolidated and separate financial statements.

Notes

for the year ended 31 December 2023

Other accounting standards:

The following new and amended accounting standards are not expected to have a significant impact on the Group's consolidated financial statements.

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Lack of Exchangeability (Amendments to IAS 21)

The Group and Company is currently evaluating the potential impact of the new standard on the Company's financial statements.

Although new or amended accounting standards that will have no or no material effect on the consolidated and separate financial statements need not be provided, the Group has included all new or amended accounting standards and their possible impact on the consolidated and separate financial statements for illustrative purposes only.

3. Material Accounting Policies

(a) Cash and cash equivalents

These comprise cash on hand, deposits held on call and term deposits with an initial maturity of less than three months when entered into. For the purpose of the consolidated and separate statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above but exclude restricted cash balances.

(b) Foreign currency transactions

Transactions in foreign currencies are initially recorded by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the spot rate of exchange ruling at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are retranslated to the functional currency using the exchange rates at the date when the fair value was measured. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

(c) Financial instruments

Recognition and initial measurement

All financial instruments are initially recognised at fair value, plus, in the case of financial assets and liabilities not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue. Financial instruments are recognised when the Group becomes a party to the contractual arrangements. All regular way transactions are accounted for on trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace. All financial assets and liabilities are classified as amortised cost with exception of investment in investment in unit trust which is carried at fair value through profit or loss.

Financial assets

Classifications

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Investments in unit trust are measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and de-recognition

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, financial assets are measured at fair value, and are classified and subsequently measured at fair value through profit or loss (FVTPL), fair value through other comprehensive income (FVTOCI) or amortized cost based on:

- the Group's business model for managing the financial assets; and
- the cash flow characteristics of the asset

Debt Instruments

Based on these factors, the Group classifies its debt instruments into one of the following three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on de-recognition is recognised directly in profit or loss and presented in other gains/ (losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.
- FVTOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/ (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
- FVTPL: Assets that do not meet the criteria for amortised cost or FVTOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other gains/ (losses) in the period in which it arises.

Business model: The business model reflects how the Group manages the assets to generate cash flows i.e., whether the Group's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVTPL. Factors considered by the Group in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel and how risks are assessed and managed.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Group assesses whether the financial instruments' cash flows represent solely payments of principal and interest ('SPPI test'). In making this assessment, the Group considers whether the contractual cash flows are consistent with a basic lending arrangement i.e., includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Group reclassifies financial assets when and only when its business model for managing those assets changes.

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for the year ended 31 December 2023

Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets e.g., investment in unit trust.

The group subsequently measures all equity investments at fair value through profit or loss. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends or distribution income from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Financial liabilities

Recognition

These includes trade payables which are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. 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). Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Derecognition

Financial assets

A financial asset is de-recognised where the rights to receive cash flows from the asset have expired; or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the assets but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position only when there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in profit or loss unless required or permitted by an accounting standard or interpretation, and as specifically disclosed in the accounting policies of the Group.

(d) Leasehold land

The Group leasehold land is carried in the financial statements at fair value. Land is not depreciated.

(e) Property plant and equipment

At initial recognition, acquired property and equipment is recognised at the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. The recognised cost includes any directly attributable costs for preparing the asset for its intended use. The cost of an item of property and equipment is recognised as an asset if it is probable that the future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Subsequent expenditure is included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to profit or loss during the period in which they are incurred.

Property and equipment, except for leasehold land and buildings, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Each component of an item of property and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

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for the year ended 31 December 2023

Leasehold land and buildings are measured at revalued less accumulated depreciation and impairment losses recognized at the date of revaluation. Valuations are performed with sufficient frequency (after every three years) to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in other comprehensive income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost.

Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings.

Depreciation

Items of property and equipment are depreciated in the year they are purchased and available for use. Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual value using straight line method over their estimated useful lives.

Depreciation is generally recognised in profit or loss unless the amount is included in the carrying amount of another asset.

Category	Useful life
• Office furniture	4 years
• Office equipment	4-5 years
• Power generator	4 years
• Motor vehicles	4 years
• Office partitions	4 years
• Buildings	40 years
• Work in progress	Nil

The residual values, useful lives, and methods of depreciation of property and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate. An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gain or loss in disposal of property and equipment is included in profit or loss in the year the asset is derecognised.

(f) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

The Exchange's intangible assets are amortised at rate of 25% i.e., over useful life of four years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in 'depreciation and amortisation' in profit or loss.

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for the year ended 31 December 2023

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(g) Impairment

Financial assets

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivable, the group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Non-financial assets

The carrying amounts of the Exchange's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset or cash generating units (CGU's) value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of any previous revaluation.

An impairment loss in recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, had no impairment loss had been recognized for the asset in prior years. Such reversal is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(h) Employee benefits

Defined contribution plans

DSE has statutory obligations to contribute to various pension schemes in favour of all the employees employed under permanent and pensionable terms. The pension schemes in force, which the Exchange contributes to, are Public Service Social Security Fund (PSSSF) and National Security Social Fund (NSSF).

Workers Compensation Fund (WCF)

Workers Compensation Fund (WCF) is a social security scheme established by the government responsible for compensating workers who suffer occupational injuries or contract occupational diseases arising out of and in the course of their employment.

Private entities are statutorily required to contribute 1% of monthly employees' earnings (wage bill) to the Fund. Monthly employees' earnings (wage bill) include basic salaries plus all fixed allowances which are regularly paid along with basic salaries. The contributions are part of Exchange's costs and are not deducted from salaries of the employees.

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for the year ended 31 December 2023

Short term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

Leave pay

Employee entitlements to annual leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (a) when the group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(i) Provisions

Provisions are liabilities of uncertain timing or amount. Provisions are recognised when there is a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in profit or loss.

(j) Revenue

Revenue is recognised when persuasive evidence exists that all of the following criteria are met:

- Identified contracts with customers;
- Identify the separate performance obligation;
- Determine the transaction price of the contract;
- Allocated the transaction price to each of the separate performance obligations; and
- Recognised the revenue as each performance obligation is satisfied.

The Group revenue comprises listing fees, transaction fees, dividend processing fees, registry services fees, annual general meeting fees, data vending and membership fees. Group revenue is recognised on yearly basis at a point in time when it transfers control over a service to a customer for both continued listed companies and members and for new members when they join the Exchange or listed in the Exchange for the first time. Transaction fee is recognised when actual trading of shares is done. Unearned amount of revenue received for which performance obligation has not been satisfied is classified as a contract liability until such time when performance obligation is satisfied in which case it will be recognised as revenue. Revenue from dividend processing, AGM Management and registry services is measured based on the consideration specified in a contract with a customer and is being recognised when the performance obligation is satisfied by transferring a promised service to a customer.

Customer contracts across the Group contain a single performance obligation at a fixed price and they require variable consideration to be constrained or allocated to multiple performance obligations. Generated fees from trades or contracts cleared and settled, compression and custody services which are recognised as revenue at a point in time when the Group meets its obligations to complete the transaction or service. In cases where the Group's performance obligations are completed over time, revenue is recognised on a straight-line basis over that period, representing the continuous transfer of services during that time. In cases where there is a fixed annual fee for a service, the revenue is recognised and billed monthly in arrears.

Listing fees

Initial listing fee is recognized in the year in which the Exchange makes the flotation. Represent one performance obligation and the Group recognises revenue from initial admissions and further issues over the period the Group provides the listing services. All admission fees are billed to the customer at the time of admission to trading and become payable when invoiced.

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for the year ended 31 December 2023

Transaction fees

Transaction fee is based on the percentage of the value of shares and bonds traded, the same is recognized on the dates of the transactions.

Central Securities Depository (CSD) fees

CSD fee is an annual fee paid by all brokers that trade at Dar es Salaam Stock Exchange. This fee is categorized into two types i.e., for Associate members and custodian members who pay TZS 1 million and TZS 2 million respectively. Other fees collected by the DSE/CSDR are Dividend processing fees, Transaction fees, IPO processing fees, registry services fees, AGM Management fee, data vending fees and ISIN fees.

Other operating income

Other operating income is made up of membership fees from DSE, LDM and realized listing fees from the brokers. Previously, annual membership fees were collected from members as DSE was only limited by guarantee, after self-listing this fee is no longer collected. Membership fees are recognized at fair value in the year to which they relate.

Other income

Other income comprises grant income, management fees charged to related entities, training income, forex gain and sundry income and are typically recognised as revenue at the point the service is rendered and becomes payable when invoiced.

(k) Grants

Grants are recognised at their fair value where there is reasonable assurance that the grants will be received, and the exchange will comply with all conditions attached to them. Grants received for capital expenditure are classified as non-current in the Statement of Financial Position while grants received for operating expenses are recognised as income on a systematic basis over the periods that the costs, which they are intended to compensate, are expensed. Grants are amortised at the rate which property and equipment acquired through the grants are depreciated.

(l) Finance income

The group finance income includes interest income and distribution income from the investment fund. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance). Distribution income from the investment in unit trust is recognised in profit or loss on date which the Group's right to receive payment is established.

(m) Earnings per share

Basic earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders of the Exchange, divided by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share represent the profit on ordinary activities after taxation attributable to the equity shareholders, divided by the weighted average number of ordinary shares outstanding during the year, including the weighted average number of dilutive shares resulting from share options and other potential ordinary shares outstanding during the period (if any)

(n) Consolidation

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has a) power over the investee; b) exposure, or rights, to variable returns from its involvement with the investee; and c) the ability to use its power over the investee to affect the amount of the investor's returns. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the group;
- fair value of any asset or liability resulting from a contingent consideration arrangement; and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill.

If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Intercompany transactions, balances, and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Changes in ownership interests in subsidiaries without change of control

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of DSE.

When the group ceases to consolidate for an investment because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

(o) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision maker has been identified as operating Board that makes strategic decisions.

(p) Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative

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for the year ended 31 December 2023

information. Whenever necessary the comparative information has been represented to correspond to current year classification or representation.

(q) Taxation

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income (OCI).

Current tax

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

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

Deferred tax

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

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Company.

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

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

(r) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

When share recognised as equity are repurchased, the amount of the consideration paid, which includes directly attributable cost is recognised as a deduction from equity. When share are sold, the amount received is recognised as an increase in equity and the resulting surplus or deficit on the transaction is recognised within share premium.

(s) Dividend

Dividends on ordinary shares are charged to shareholders' funds in the period in which they are declared. Dividends declared after the end of reporting period are not recognised as liabilities at the end of reporting period.

4. Critical Estimates and Judgement

Use of Estimates, Assumptions and Judgments

The preparation of the Exchange's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosures of contingent liabilities, at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that require material adjustments to the carrying amount of the asset or liability affected in future periods. In the process of applying the Exchange's accounting policies, management has used its judgments and made estimates in determining the amounts recognized in the financial statements. Although these estimates are based on the management's knowledge of current events and actions, actual results ultimately may differ from those estimates. The most significant use of judgments and estimates are as follows:

a. Fair value of land and buildings

Fair value of the Exchange's leasehold land and building were determined using the market comparable method. The valuation was performed based on proprietary databases of prices of transactions for properties of similar nature, location, and condition. The revaluation was performed on 31 December 2022 by accredited independent valuers with experience for valuation of similar properties in Tanzania.

b. Impairment of Accounts receivables

The group recognises a loss allowance for expected credit losses (ECL) on financial assets that are measured at amortised cost or fair value through other comprehensive income. The loss allowance is measured at an amount equal to the lifetime expected credit losses for financial instruments for which (a) the credit risk has increased significantly since initial recognition (b) there is observable evidence of impairment (a credit impaired financial assets). If at the reporting date, the credit risk on financial assets other than trade receivables has not increased significantly since initial recognition, the loss allowance is measured for that financial instrument at an amount equal to 12-month expected credit losses. All changes in the loss allowances are recognised in profit or loss impairment gains or losses.

5. Business Segments Information

The Group consists of the CSDR, a subsidiary that started its operations in the fourth quarter of 2017 and is wholly owned by the Dar es Salaam Stock Exchange Public Limited Company. The operating Board has determined the operating segments based on reports reviewed by the Board of directors that are used to make strategic decisions.

The group operates within the one geographical area, being the United Republic of Tanzania, therefore no separate geographical segments exist.

The operating Board of directors considers the business from market and product perspectives. Market wise, management considers the main lines through which it derives its revenue. Costs relating to group management are shared between Company and its subsidiary based on the agreed rates. Revenue for the entities is all derived from external customers. Revenue for DSE is majorly generated from the listing and trading of securities. The principal activity of the CSDR through which revenue is generated is, among others, to provide automated clearing, delivery and settlement facilities in respect of transactions carried out at the DSE as well as to provide Registry Services to listed and non-listed companies.

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for the year ended 31 December 2023

5. Business Segments Information (Continued)

Segmental statement of financial position

	2023				2022			
	DSE	CSDR	Eliminations*	Group	DSE	CSDR	Eliminations*	Group
	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000	TZS'000
Non-current assets	13,558,696	50,691	-	13,609,387	13,558,696	37,576	-	13,596,272
Investment	227,867	-	(227,867)	-	227,867	-	(227,867)	-
Current assets	19,453,106	1,896,084	(139,743)	21,209,447	16,399,917	1,601,760	(69,280)	17,932,397
Total assets	**33,239,669**	**1,946,775**	**(367,610)**	**34,818,834**	**30,186,480**	**1,639,336**	**(297,147)**	**31,528,669**
Non-current liabilities	1,093,165	-	-	1,093,165	1,147,853	-	-	1,147,853
Current liabilities	2,272,580	522,809	(139,743)	2,655,646	1,799,677	512,881	(69,280)	2,243,278
	3,365,745	**522,809**	**(139,743)**	**3,748,811**	**2,947,530**	**512,881**	**(69,280)**	**3,391,131**
Owners' equity	29,873,924	1,423,966	(227,867)	31,070,023	27,238,950	1,126,455	(227,867)	28,137,538
Total equity and liabilities	**33,239,669**	**1,946,775**	**(367,610)**	**34,818,834**	**30,186,480**	**1,639,336**	**(297,147)**	**31,528,669**

*These are intercompany transactions eliminated on consolidation.

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6. Financial Risk Management

The Group has exposure to the following financial risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board of Directors oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

a. Credit risk

The DSE customers are basically brokerage firms whom the DSE rules require them to furnish their financial position each quarter. DSE Management uses this information to evaluate the creditworthiness of each broker as a way of mitigating credit and investing in issuers with known credibility.

Exposure to credit risk

The carrying amounts of financial assets represent the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2023	2022	2023	2022
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Trade receivables and other receivables*	1,689,531	1,328,702	1,247,280	1,015,676
Short term deposits	18,447,182	16,613,943	17,253,680	15,539,428
Investment in unit trust	702,493	-	702,493	-
Cash and cash equivalents**	135,867	55,952	90,616	25,176
Restricted Bank Balance	10	958	10	958
Loan to DSE SACCO	107,143	153,843	107,143	153,843
Government securities	9,881,550	9,878,294	9,881,550	9,878,294
	30,963,776	**28,031,692**	**29,282,772**	**26,613,375**

**Excludes prepayments, staff advances and VAT receivables.*

***Excludes petty cash*

Expected credit losses (ECLs)

For trade and other receivables, the Group/ Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

While cash and cash equivalents, investments in government securities and short-term deposits are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Default occurs when (a) any instalment is unpaid more than 12 months past its original due date or (b) where records show that the Obligor has suffered an Insolvency event. Further, the Group

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for the year ended 31 December 2023

6. Financial Risk Management (Continued)

a. Credit risk (continued)

considers the following as evidence that a financial asset is credit-impaired; significant financial difficulty of the debtor, breach of contract terms, deterioration of the economic sector in which the customer is operating and when the customer is likely to undergo a major financial reorganization or enter bankruptcy.

The expected loss rates are based on historical credit losses. The historical loss rates were not adjusted to reflect forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables due to the fact that the relationship was not established between change in macroeconomics and expected credit losses but the group would continue to monitor the relationship in future.

On that basis, the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows for both trade receivables contract assets:

GROUP	0 to 12 months Performing TZS'000	12 to 18 months Past due TZS'000	19 to 24 months past due TZS'000	Over 24 months past due TZS'000	Total TZS'000
2023					
Gross carrying amount – trade receivables	1,386,952	77,318	38,719	24,116	1,27,105
Impairment charge	-	998	(5,969)	1,437	48,404
Net carrying amount	**1,386,952**	**76,320**	**32,750**	**22,679**	**1,518,701**
2022					
Gross carrying amount – trade receivables	1,155,400	42,421	14,867	74,377	1,287,065
Impairment charge	-	(8,483)	(7,434)	(74,377)	(90,294)
Net carrying amount	**1,155,400**	**33,938**	**7,433**	**-**	**1,196,771**

COMPANY	0 to 12 months TZS'000	12 to 18 months TZS'000	19 to 24 months TZS'000	Over 24 months TZS'000	Total TZS'000
2023					
Gross carrying amount – Trade receivables	925,713	50,702	3,450	24,117	1,003,982
Impairment charge	-	385	(249)	1437	2,072
Net carrying amount	**925,713**	**50,316**	**3,201**	**22,680**	**1,001,910**
2022					
Gross carrying amount – Trade receivables	842,422	7,398	3,672	29,428	882,920
Impairment charge	-	(1,479)	(1,836)	(29,428)	(32,743)
Net carrying amount	**842,422**	**5,919**	**1,836**	**-**	**850,177**

The loss rates for each aging class are summarised below:

-	0 to 12 months	12 to 18 months	19 to 24 months	Over 24 months
Loss rate	0%	0.8%	7.2%	7.7%

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for the year ended 31 December 2023

6. Financial Risk Management (Continued)

a. Credit risk (continued)

Movement of the loss allowance is as shown below:

	Group TZS'000	Company TZS'000
2023		
Balance as at 1 January 2023	90,294	32,743
Charge during the year	75,869	20,698
Bad debt written off during the year	(106,389)	
Balance as at 31 December 2023	**59,774**	**53,441**
2022		
Balance as at 1 January 2022	63,286	33,585
Charge during the year	27,008	(842)
Balance as at 31 December 2022	**90,294**	**32,743**

Trade receivables and contract assets are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 2 years past due.

Government securities, short term deposits and cash at bank balances

There is no independent credit rating for banks operating in Tanzania. However, the Exchange banks with reputable multinational and local banks. In the view of the directors, risk of non-performance by the counterparties is not significant as such there was no ECL was charged for these financial assets.

At 31 December 2023, financial assets at banks by type of counterparty was as follows:

	Bank Name	2023 TZS '000	2022 TZS '000
GROUP			
Analysis of financial assets at banks			
Government securities	Bank of Tanzania	9,881,550	9,878,294
Short term deposits	TCB, MHB, CRDB, Azania, Equity, UBA, DCB, KCB, BOA	18,447,182	16,613,943
Cash at bank	CRDB, NMB and ACB	135,867	55,952
Total cash held by counterparties		**28,464,599**	**26,548,189**
COMPANY			
Government securities	Bank of Tanzania	9,881,550	9,878,294
Short term deposits	TCB, MHB, CRDB, Azania, Equity, UBA, DCB, KCB, BOA	17,253,680	15,539,428
Cash at bank	CRDB, NMB and ACB	90,616	25,176
Total cash held by counterparties		**27,225,846**	**25,442,898**

Loan to DSE SACCO

The directors consider credit risk exposure for loans to DSE SACCO as insignificant because these are recovered directly from the employees through monthly salary deductions or terminal benefits for exiting staff.

b. Liquid risk

Liquidity risk is the risk that the DSE will not be able to meet its financial obligations as they fall due. The DSE's approach in managing liquidity ensures as far as possible, it always has sufficient liquidity to meet its liabilities when due under

Notes

for the year ended 31 December 2023

6. Financial Risk Management (Continued)

b. Liquid risk (continued)

both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The DSE ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted.

The table below analyses the group's financial liabilities that will be settled into relevant maturity groupings based on the remaining period at the statement of financial position. The amounts disclosed in the table below are the contractual undiscounted cash flows.

	Less than 1 year **TZS '000**
GROUP	
2023	
Trade and other payables*	**819,741**
	819,741
2022:	
Trade and other payables*	794,738
	794,738
COMPANY	
2023	
Trade and other payables*	**572,034**
	572,034
2022:	
Trade and other payables*	197,998
	197,998

**Excludes payroll related liabilities and statutory liabilities.*

c. Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

i. Currency risk

Currency risk arises on financial instruments that are denominated in a foreign currency, i.e., a currency other than the functional currency in which they are measured. Currency risk does not arise from non-monetary items or items denominated in the functional currency.

The Group enters contracts denominates in foreign currencies especially United States Dollars (USD) mainly for purchases of assets and services. In addition, the entity has assets denominated in foreign currencies. As a result, the entity is subject to transaction and translation exposure from fluctuations in foreign currency exchange rates. Exposure to foreign currency risk is mitigated by the fact that the amount due are normally settled within short period of time.

Management's policy to manage foreign exchange risk is to maintain currency bank accounts which act as natural hedge payment.

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for the year ended 31 December 2023

6. Financial Risk Management (Continued)

Exposure to currency risk for foreign denominated amounts in the following classes of financial instruments is as depicted in the schedule below:

	USD TZS '000	TOTAL TZS '000
GROUP		
2023		
Cash and cash equivalent	**2,705**	**2,705**
	2,705	**2,705**
2022		
Cash and cash equivalent	800	800
	800	**800**
COMPANY		
2023		
Cash and cash equivalent	**2,705**	**2,705**
	2,705	**2,705**
2022		
Cash and cash equivalent	800	800
	800	**800**

Disclosure around market risk also relates to sensitivity analysis of the type of market risk – currency risk and ignores any impact of forecast income and expenditures.

A 10% strengthening/weakening of the Tanzanian shilling against the following currencies would have increased/decreased profit or loss and equity by amounts shown below. This analysis assumes that all other variables, in particular interest and inflation rates, remain constant.

	Impact on profit		Impact on Equity	
	2023	2022	2023	2022
	TZS '000	TZS '000	TZS '000	TZS '000
GROUP				
USD Equivalent				
Increase	270	80	189	56
Decrease	**270**	**80**	**189**	**56**
COMPANY				
USD Equivalent				
Increase	270	80	189	56
Decrease	**270**	**80**	**189**	**56**

The following significant exchange rates have been applied.

	Year-end spot rate		Average rate	
	2023	2022	2023	2022
USD/TZS	2,550	2,347	2,415	2,324

ii. Interest rate risk

Interest rate risk is the risk that the DSE being exposed to gains or losses on fluctuations of interest in the market. The DSE exposure on interest rates fluctuations is mainly on its investment in short term securities and external funding or debt instruments. This is mitigated by DSE management through regular review on

Notes

for the year ended 31 December 2023

6. Financial Risk Management (Continued)

interest rates movement in money market and hence shifting funds from Treasury bonds to Fixed deposits and vice versa.

Profile

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments was as follows:

	Carrying amount			
	2023	2022	2023	2022
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Fixed rate instruments: Financial assets				
Short term deposits	18,447,182	16,613,943	17,253,680	15,539,428
Investment in unit trust	702,492	-	702,493	-
Government securities	9,881,550	9,878,294	9,881,550	9,878,294
Loan to DSE SACCO	107,143	153,843	107,143	153,843
	29,138,367	**26,646,080**	**27,944,866**	**25,571,565**

Interest rate Sensitivity

The interest-bearing financial instruments are held at fixed rates; hence forth the company is not exposed to cash flow sensitivity.

iii. Other market price risk

The Company has invested in UTT units. These are exposed to fair value changes as a result of changes in the net assets value. The sensitivity of the instrument as a result of a 5% change in value for the units are as summarised below. This analysis assumes that all other variables, in particular interest and inflation rates, remain constant.

	Impact on profit		Impact on Equity	
	2023	2022	2023	2022
	TZS '000	TZS '000	TZS '000	TZS '000
GROUP/COMPANY				
Increase in value of units	35,125	-	24,587	-
Decease in value of units	**(35,125)**	**-**	**(24,587)**	**-**

d. Capital risk management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market and to sustain future development of the business. Capital consists of total equity.

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholder and to maintain an optimal capital structure to reduce the cost of capital. The company had no borrowing for the period ended December 2023.

Consistent with others in the industry, the group monitors capital based on the following gearing ratio: Net debt Divided by Total 'equity' (as shown in the statement of financial position). As at 31 December 2023 the Group was not geared.

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7. Accounting Classification and Fair Value Measurement

The Group's financial instruments consist mainly of cash and cash equivalents, trade and other receivables, short term deposits, government securities, investment in unit trust, loans and trade and other payables. All financial assets and assets are carried at amortised cost except for investment in unit trust which is carried at fair value as indicated below.

2023	Financial assets -Fair Value TZS '000	Financial assets – Amortised cost TZS '000	Financial liabilities– Amortised cost TZS '000	Total TZS '000
GROUP				
Financial assets				
Government securities	-	9,881,550	-	9,881,550
Loan to DSE SACCO	-	107,143	-	107,143
Trade and other receivables	-	1,689,531	-	1,689,531
Short term deposits	-	18,447,182	-	18,447,182
Investment in unit trust	702,493	-	-	702,493
Cash and cash equivalent	-	135,867	-	135,867
Restricted bank balance	-	10	-	10
	702,493	**30,261,283**	**-**	**30,963,776**
Financial liabilities				
Trade and other payables	-	-	1,020,161	1,020,161
	-	**-**	**1,020,161**	**1,020,161**
COMPANY				
Government securities	-	9,881,550	-	9,881,550
Loan to DSE SACCO	-	107,143	-	107,143
Trade and other receivables	-	1,247,280	-	1,247,280
Short term deposits	-	17,253,680	-	17,253,680
Investment in unit trust	702,493	-	-	702,493
Cash and cash equivalent	-	90,616	-	90,616
Restricted bank balance	-	10	-	10
	702,493	**28,580,279**	**-**	**29,282,772**
Trade and other payables	-	-	725,039	725,039
	-	**-**	**725,039**	**725,039**

2022	Financial assets -Fair Value TZS '000	Financial assets – Amortised cost TZS '000	Financial liabilities– Amortised cost TZS '000	Total TZS '000
GROUP				
Financial assets				
Government securities	-	9,878,294	-	9,878,294
Loan to DSE SACCO	-	153,843	-	153,843
Trade and other receivables	-	1,328,702	-	1,328,702
Short term deposits	-	16,613,943	-	16,613,943
Cash and cash equivalent	-	25,176	-	25,176
Restricted bank balance	-	958	-	958
	-	**28,000,918**	**-**	**28,000,918**

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7. Accounting Classification and Fair Value Measurement (Continued)

2022	Financial assets -Fair Value TZS '000	Financial assets – Amortised cost TZS '000	Financial liabilities– Amortised cost TZS '000	Total TZS '000
Financial liabilities				
Trade and other payables	-	-	860,536	860,536
	-	**-**	**860,536**	**860,536**
COMPANY				
Government securities	-	9,878,294	-	9,878,294
Loan to DSE SACCO	-	153,843	-	153,843
Trade and other receivables	-	1,015,676	-	1,015,676
Short term deposits	-	15,539,428	-	15,539,428
Cash and cash equivalent	-	90,616	-	90,616
Restricted bank balance	-	10	-	10
	-	**26,644,151**	**-**	**26,644,151**
Trade and other payables	-	-	613,997	613,997
	-	**-**	**613,997**	**613,997**

The following table shows the carrying amounts of financial assets carried at fair values and the long-term financial asset carried at amortised cost whose fair value does not approximate their carrying amounts.

	Carrying amount		Fair value	
	2023 TZS '000	2022 TZS '000	2023 TZS '000	2022 TZS '000
GROUP				
Financial assets - measured at fair value through net assets – Level 1				
Investment in unit trust	702,493	-	702,493	-
	702,493	**-**	**702,493**	**-**
Financial assets - not measured at fair value – Level 2				
Government securities	9,881,550	9,878,294	10,721,915	10,479,386
	9,881,550	**9,878,294**	**10,721,915**	**10,479,386**
COMPANY				
Financial assets - measured at fair value through net assets – Level 1				
Investment in unit trust	702,493	-	702,493	-
	702,493	**-**	**702,493**	**-**
Financial assets - not measured at fair value – Level 2				
Government securities	9,881,550	9,878,294	10,721,915	10,479,386
	9,881,550	**9,878,294**	**10,721,915**	**10,479,386**

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7. Accounting Classification and Fair Value Measurement (Continued)

(i) Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments. The Group have investment in Unit trust Fund financial instruments under level 1

(ii) Level 2: Inputs other than quoted prices included within level 1 that are observable either directly or indirectly or other valuation techniques in which all significant inputs are directly or indirectly observable from market data. The Group has government bonds under this category thus the government securities the fair value is calculated by estimating the present value through discounting the expected future cash flows using the yield rates of similar Government bonds issued in the recent past, normally past 1-3 months. These yield rates are published by the Bank of Tanzania.

Level 3: Inputs that are unobservable. This category includes instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on their valuation.

8. Revenue from Contract with Customers

(a) Disaggregation of revenue from contracts with customers

The group derives revenue from the transfer of services at a point in time from different service lines including revenues from external customers, listings fees (which include the listing fee on equity, corporate bonds, and government bonds), revenues from transactions fees on equities and bonds, registry services, dividend processing fees, data vending; and AGM management.

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Listing fees				
Equity	411,488	400,580	411,488	400,580
Government bonds	4,156,085	3,381,844	4,156,085	3,381,844
Corporate bonds	86,022	67,489	86,022	67,489
	4,653,595	3,849,913	4,653,595	3,849,913
Transaction fees				
Equity	633,758	376,871	633,758	376,871
Bonds	1,237,317	806,208	1,237,317	806,208
	1,871,075	1,183,079	1,871,075	1,183,079
CSD fees				
Annual membership fees	75,000	69,860	-	-
Membership application Fee	5,000	7,000	-	-
Transaction fees equity	270,312	160,314	-	-
CSD amendment fee	11,266	11,138	-	-
CSD bond trading fees	735,104	487,523	-	-
Dividend processing income	272,877	216,552	-	-
IPO processing fees	61,599	50,486	-	-
Registry services (IPO)	93,000	116,000	-	-
Data vending	-	3,600	-	-
AGM management fee	85,568	108,388	-	-
International Securities Identification Number (ISIN)	9,245	9,750	-	-
Register annual maintenance fee	197,698	201,500	-	-
	1,816,669	1,442,111	-	-
Other operating income				
Data vending historical	172,416	69,327	172,415	69,327

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8. Revenue from Contract with Customers (Continued)

	2023	2022	2023	2022
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Data vending end of day	663	4,400	663	4,400
Data vending real time	16,598	-	16,598	-
Licenced Dealing Member (LDM) membership fees & NOMADS	48,000	33,000	48,000	33,000
Listing income realized	-	79,852	-	79,852
Infrastructure support fee	68,054	53,876	68,054	53,876
	305,731	240,455	305,730	240,455
	8,647,070	**6,715,558**	**6,830,400**	**5,273,447**
Revenue from the Government	4,156,085	3,381,844	4,156,085	3,381,844
Revenue from other customers	4,490,985	3,333,714	2,674,315	1,891,603
	8,647,070	**6,715,558**	**6,830,400**	**5,273,447**

(b) Assets and liabilities related to contracts with customers

The group has recognised the following assets and liabilities related to contracts with customers:

	2023	2022	2023	2022
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Trade Recievables				
Trade receivables (Note 18a)	1,527,105	1,287,066	1,003,982	882,920
Less: Loss allowances	(8,404)	(90,295)	(2,072)	(32,743)
Net Trade Recievables	**1,518,701**	**1,196,771**	**1,001,910**	**850,177**
Contract liabilities				
Listing fee from corporate entities (Note 8)	33,640	-	33,640	-
Listing from Government bonds	1,104,727	909,266	1,104,727	909,266
Total Contract liabilities	**1,138,367**	**909,266**	**1,138,367**	**909,266**

Contract liabilities relate to annual listing fees for both government and corporate bonds that is received from government and corporates annually in advance. This is recognised as revenue in the next accounting period for all the bonds that are existing.

9. Other Income

	2023	2022	2023	2022
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
Amortization of revenue grant (Note 25 (b))	22,985	33,879	22,985	33,879
Amortization of capital grant (Note 25 (a))	54,688	54,688	54,688	54,688
Training income	67,775	81,584	67,775	81,584
Management fee (See Note 28 (a))	-	-	146,085	157,278
Foreign exchange gain	-	302	-	302
Miscellaneous income*	34,338	22,939	20,688	13,442
Fair value gain through profit or loss	2493	-	2493	-
	182,279	**193,392**	**314,714**	**341,173**

**Includes interest from loan to SACCO amounting to TZS 2,4 million (2022: TZS 3.3 million)*

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10. Administrative Expenses

		2023	2022	2023	2022
		Group	Group	Company	Company
		TZS'000	TZS'000	TZS'000	TZS'000
	Staff costs	4,227,563	3,755,079	3,293,189	2,917,159
	Information technology costs	437,465	363,560	361,157	297,436
	Operating Expenses	1,229,166	1,034,102	955,738	779,448
	Other expenses	425,482	355,851	382,490	274,181
		6,319,676	**5,508,592**	**4,992,574**	**4,268,224**
(a)	**Staff costs**				
	Salary and wages	2,684,215	2,395,634	2,064,244	1,822,331
	Bonus	208,881	123,143	137,682	123,143
	Skills and Development Levy	158,875	66,556	158,875	66,556
	Pension contribution	385,932	544,710	292,936	413,408
	Leave cost	160,936	157,465	120,524	119,720
	Medical expenses	126,482	145,399	92,039	109,580
	Life Insurance Expenses	31,551	14,721	25,535	11,015
	Training and workshops	128,891	52,436	116,837	50,386
	Other staff cost; special, acting and furniture allowances	117,390	84,842	98,205	66,985
	Extra Responsibility Allowances	-	5,938	-	5,938
	Workers' Compensation Fund	12,864	13,157	9,765	10,004
	Fuel allowance	165,717	139,084	130,718	106,099
	Other staff allowances	117,390	84,842	98,205	66,985
	Long Service & Golden Handshake expenses	45,829	11,994	45,829	11,994
		4,227,563	**3,755,079**	**3,293,189**	**2,917,159**
(b)	**Information technology costs**				
	DRS running costs	62,914	59,756	57,954	52,300
	ATS license fee	267,952	153,340	227,613	128,368
	IT Expenses	106,599	150,464	75,590	116,768
		437,465	**363,560**	**361,157**	**297,436**
(c)	**Operating Expenses**				
	Dividend processing costs	115,746	150,345	47,682	50,584
	Public education and business development costs	185,271	189,783	144,359	161,516
	Subscriptions, tenders, and newspapers	116,628	109,315	109,140	92,567
	CMSA regulatory fee	110,257	61,013	93,568	48,422
	Regional integration	82,217	30,094	58,972	30,094
	Director's Training	47,183	-	29,176	-
	Directors' fee	149,700	159,450	110,250	118,250
	Telephone, internet, and courier cost	83,771	73,388	65,660	55,183
	Amortisation of donor grant	3,013	33,879	3,013	33,879
	Electricity and security cost	31,778	31,334	27,806	27,417
	Fuel expenses	5,973	16,912	2,857	16,912
	Board expenses & AGM expenses	82,361	50,427	56,354	32,130
	NIDA expenses	28,117	5,960	28,117	5,960
	BIST training expense	57,644	35,510	57,644	35,510
	Loss on exchange rate	8,305	-	8,304	-
	Depreciation and amortisation	124,215	120,571	115,849	104,903
		1,229,166	**1,034,102**	**955,738**	**779,448**

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for the year ended 31 December 2023

10. Administrative Expenses (Continued)

		2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
(d)	**Other expenses**				
	CSD certificates-SMS Bundle, business license and DTB	44,432	31,417	34,299	19,520
	Bank charges and insurance	13,209	14,175	9,832	11,336
	Office cleaning, parking, and recreations	76,127	69,566	62,119	54,635
	CSD IPO processing expenses	7,490	3,225	-	-
	Other administrative costs	20,104	26,400	31,970	594
	Corporate Social Responsibility	9,113	8,550	9,113	8,550
	Consultancy fee	125,920	73,438	123,420	66,125
	Services Levy	18,182	15,123	14,083	12,570
	Stationery and consumables	23,272	24,568	20,519	20,837
	Repair and maintenance	3,633	14,389	3,635	14,389
	Audit fee	84,000	75,000	73,500	65,625
		425,482	**355,851**	**382,490**	**274,181**

11. Finance Income

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Interest on term deposit	1,972,580	1,744,692	1,840,030	1,610,212
Interest on treasury bonds	1,418,000	1,417,891	1,418,000	1,417,891
Interest on investment in unit trust	8,688	-	8,688	-
	3,399,268	**3,162,583**	**3,266,718**	**3,028,103**

12. Taxation

a) Income tax expense

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Current income tax charge	153,853	63,798	-	-
Deferred income tax (credit)/charge	(16,852)	(10,518)	-	-
Income tax charge	**137,001**	**53,280**	**-**	**-**

The exchange is tax exempt as per second schedule of Income Tax Act of 2019. Dar es Salaam Stock Exchange Public Limited Company has a wholly own subsidiary CSD & Registry Company Limited that is not exempt from income tax. The following is reconciliation between expected tax based on profit before tax and assessed income tax expense:

(b) Effective tax rate reconciliation

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Profit before income tax	5,833,072	4,535,933	5,398,560	4,375,341
Tax calculated at a tax rate of 30 %	1,749,922	1,360,780	1,619,568	1,312,602
Tax effect of:				
Expenses not deductible for tax purposes	6,647	5,102	-	-
Income not subject to tax	(1,619,568)	(1,312,602)	(1,619,568)	(1,312,602)
Income tax expense	**137,001**	**53,280**	**-**	**-**

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for the year ended 31 December 2023

12.Taxation (Continued)

(c) Current income tax Receivable

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Balance as at 1 January	(90,240)	(37,513)	-	-
Charge during the year	153,853	63,798	-	-
Income tax paid	(97,023)	(116,525)	-	-
Balance as at 31 December	**33,410**	**(90,240)**	**-**	**-**

(d) Deferred tax asset

Deferred income tax asset is calculated, using the enacted income tax of 30% (2022: 30%). The movement on the deferred income tax account is as follows:

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Balance as at 1 January	17,751	7,233	-	-
Deferred tax credit during the year	16,851	10,518	-	-
Balance as at 31 December	**34,602**	**17,751**	**-**	**-**

The deferred tax asset is made up of:

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Provisions	33,818	17,267	-	-
Property and equipment	784	484	-	-
	34,602	**17,751**	**-**	**-**

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for the year ended 31 December 2023

13. Property and Equipment

GROUP	Office Equipment TZS'000	Office Furniture TZS'000	Power Generator TZS'000	Motor Vehicles TZS'000	Office Partition TZS'000	Total TZS'000
Cost						
At 1st January 2022	1,221,707	94,473	39,115	283,573	168,887	1,807,755
Additions	92,500	5,249	-	-	-	97,749
At 31 December 2022	**1,314,207**	**99,722**	**39,115**	**283,573**	**168,887**	**1,905,504**
At 1st January 2023	**1,314,207**	**99,722**	**39,115**	**283,573**	**168,887**	**1,905,504**
Additions	16,924	2,096	-	-	-	19,020
At 31 December 2023	**1,331,131**	**101,818**	**39,115**	**283,573**	**168,887**	**1,924,524**
Accumulated depreciation						
At 01 January 2022	1,173,007	84,990	39,115	283,573	168,887	1,749,572
Charge during the year	40,521	4,707	-	-	-	45,228
At 31 December 2022	**1,213,528**	**89,697**	**39,115**	**283,573**	**168,887**	**1,794,800**
At 01 January 2023	**1,213,528**	**89,697**	**39,115**	**283,573**	**168,887**	**1,794,800**
Charge during the year	41,490	3,530	-	-	-	45,020
At 31 December 2023	**1,255,018**	**93,227**	**39,115**	**283,573**	**168,887**	**1,839,820**
Carrying amount						
At 31 December 2023	**76,113**	**8,591**	**-**	**-**	**-**	**84,704**
At 30 December 2022	**100,679**	**10,025**	**-**	**-**	**-**	**110,704**

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for the year ended 31 December 2023

13. Property and Equipment (Continued)

COMPANY	Office Equipment TZS'000	Office Furniture TZS'000	Power Generator TZS'000	Motor Vehicles TZS'000	Office Partition TZS'000	Total TZS'000
Cost						
At 01 January 2022	1,198,999	86,226	39,115	283,573	168,887	1,776,800
Additions	80,662	3,057	-	-	-	83,719
At 31 December 2022	**1,279,661**	**89,283**	**39,115**	**283,573**	**168,887**	**1,860,519**
At 01 January 2023	**1,279,661**	**89,283**	**39,115**	**283,573**	**168,887**	**1,860,519**
Additions	12,294	2,096	-	-	-	14,390
At 31 December 2023	**1,291,955**	**91,379**	**39,115**	**283,573**	**168,887**	**1,874,909**
Accumulated Depreciation						
At 01 January 2022	1,162,944	78,615	39,115	283,573	168,887	1,733,134
Charge during the year	33,529	2,977	-	-	-	36,506
At 31 December 2022	**1,196,473**	**81,592**	**39,115**	**283,573**	**168,887**	**1,769,640**
At 01 January 2023	**1,196,473**	**81,592**	**39,115**	**283,573**	**168,887**	**1,769,640**
Charge during the year	34,181	2,473	-	-	-	36,654
At 31 December 2023	**1,230,654**	**84,065**	**39,115**	**283,573**	**168,887**	**1,806,294**
Carrying amount						
At 31 December 2023	**61,301**	**7,314**	**-**	**-**	**-**	**68,615**
At 30 December 2022	**83,188**	**7,691**	**-**	**-**	**-**	**90,879**

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for the year ended 31 December 2023

14. Non-Current Prepayment

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Balance as at 1 January	2,819,584	2,819,584	2,819,584	2,819,584
Additions during the year	300,088	-	300,088	-
Balance as at 31 December	**3,119,672**	**2,819,584**	**3,119,672**	**2,819,584**

Non-current prepayment relates to 60% advance payment made for purchase of office space measuring approximately nine hundred and six decimal one four square metres (906.14 sqm) being part of a building constructed by the National Housing Corporation (NHC) on Plot Numbers 1-3, Mwai Kibaki Road (famously referred to as NHC's Morocco Square project) and Plot Number 44 Ursino Street, Real Estate - Kinondoni Municipality, Dar es salaam.

The additional payment during the period relates to additional office space of 69.71 square meters made during the period at the same location, Morocco square building. Once construction work is completed and all payment instalments made by the DSE to NHC, the amount will be recognised as property, plant and equipment.

15. Intangible Asset

Intangible asset relates to software used by DSE on day-to-day operations. This consists of Automated Trading System (ATS), Central Securities Depository (CSD), Arute system (HRM system), Mobile Trading Platform (MTP) and Sage Accounting and Payroll software, whose movement was as follows:

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Cost				
At start of the year	1,607,262	1,591,163	1,559,634	1,543,535
Additions	106,168	16,099	106,168	16,099
At end of the year	**1,713,430**	**1,607,262**	**1,665,802**	**1,559,634**
Accumulated amortisation				
At start of the year	1,486,786	1,413,818	1,439,158	1,373,136
Charge during the year	76,820	72,968	76,820	66,022
At end of the year	**1,563,606**	**1,486,786**	**1,515,978**	**1,439,158**
Net carrying amount				
At 31 December	**149,824**	**120,476**	**149,824**	**120,476**

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for the year ended 31 December 2023

16. Leasehold Land and Building

	Leasehold land TZS'000	Building TZS'000	Total TZS'000
GROUP			
Cost			
At 01 January 2022	251,979	129,352	381,331
Revaluation loss	(51,979)	(34,352)	(86,331)
At 31 December 2022	**200,000**	**95,000**	**295,000**
At 01 January 2023	**200,000**	**95,000**	**295,000**
Revaluation loss	-	-	-
At 31 December 2023	**200,000**	**95,000**	**295,000**
Accumulated depreciation			
At 01 January 2022	30,979	27,379	58,358
Charge during the period	-	2,375	2,375
At 31 December 2022	**30,979**	**29,754**	**60,733**
At 01 January 2023	**30,979**	**29,754**	**60,733**
Charge during the period	-	2,375	2,375
At 31 December 2023	**30,979**	**32,129**	**63,108**
Carrying amount			
At 31 December 2023	**169,021**	**62,871**	**231,892**
At 31 December 2022	**169,021**	**65,246**	**234,267**
COMPANY			
Cost			
At 01 January 2022	251,979	129,352	381,331
Revaluation loss	(51,979)	(34,352)	(86,331)
At 31 December 2022	**200,000**	**95,000**	**295,000**
At 01 January 2023	**200,000**	**95,000**	**295,000**
Revaluation loss	-	-	-
At 31 December 2023	**200,000**	**95,000**	**295,000**
Accumulated depreciation			
At 01 January 2022	30,979	27,379	58,358
Charge during the period	-	2,375	2,375
At 31 December 2022	**30,979**	**29,754**	**60,733**
At 01 January 2023	**30,979**	**29,754**	**60,733**
Charge during the period	-	2,375	2,375
At 31 December 2023	**30,979**	**32,129**	**63,108**
Carrying amount			
At 30 December 2023	**169,021**	**62,871**	**231,892**
At 30 December 2022	**169,021**	**65,246**	**234,267**

Notes

for the year ended 31 December 2023

16.Leasehold Land and Building (Continued)

If leasehold land was measured using the cost model, the carrying amounts would be, as follows:

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Cost	41,603	41,603	41,603	41,603
Accumulated depreciation	(-) 1950	(-) 1300	(-) 1950	(-) 1300
Carrying amount	**39,653**	**40,303**	**39,653**	**40,303**

Leasehold land was acquired from National Insurance Company Limited. The Exchange's leasehold land and buildings comprise residential properties located at Plot No. 109-1 Kingalu road in Morogoro. Land and buildings are measured at fair value based on valuations by external independent valuers, Majengo Estates developer (registered valuers and estate agents in Dar es Salaam Tanzania). Revaluation for the properties is done after every three (3) years. The last revaluation was carried out in December 2022.

Leasehold land has been used to erect the building in conformity to the Morogoro Municipal Council plans. DSE has the right to renew occupancy of the leasehold land from the Government of United Republic of Tanzania after the end of lease term of 99 years from 1 January 1975.

If buildings were measured using the cost model, the carrying amount would be, as follows:

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Cost	103,331	103,331	103,331	103,331
Accumulated depreciation	(21,886)	(19,303)	(21,886)	(19,303)
Net carrying amount	**81,445**	**84,028**	**81,445**	**84,028**

Key inputs to valuation of land and buildings

	Significant inputs	Range (weighted average)
Buildings	Estimated rental value per square meter per month	TZS 8,000 to TZS 12,000 (Average of TZS 10,000)
	Rent growth per annum	0% - 5% (Average of 2.5%)
Leasehold land selling price per square meter		TZS 90,000

Valuation techniques for the Exchange's properties:

Buildings	Buildings, structures, and services were valued using comparative method, also referred to as the Direct Capital Comparison Approach.
Leasehold Land	Leasehold land was valued using market approach

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for the year ended 31 December 2023

16. Leasehold Land and Building (Continued)

The valuations for the leasehold land and buildings are classified into level 3 hierarchy since the significant inputs into the valuations are the open market prices for buildings in the same location and these are observable, either directly or indirectly from the market. There have been no transfers into or out of this fair value hierarchy.

Fair value of the properties was determined using the market comparable method. This means that valuations performed by the valuer are based on the information available in the market, significantly adjusted for differences in the nature, location, or condition of the specific property, as at the date of revaluation on 31 December 2022. The properties' fair values are based on valuations performed by an accredited independent valuer who has valuation experience for similar office properties in Tanzania since 2006. The directors believed that the valuations performed in year 2022 reflects the current market conditions.

Significant increases (decreases) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value on a linear basis.

Leasehold land was acquired from National Insurance Company Ltd with the remaining period of 52 years.

17. Investment in Subsidiary

The Company has invested TZS 227 million in a wholly owned subsidiary that was formed in year 2017. The group's principal subsidiary at 31 December 2023 is set out below. Unless otherwise stated, it has share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the Company. The country of incorporation or registration is also the principal place of the subsidiary business. The details of the Subsidiary as at 31 December 2023 are set out below:

Name of entity	Place of business/ country of incorporation	Ownership interest held by the group		Ownership interest held by non-controlling interests		Principal activities
		2023	2022	2023	2022	
		%	%	%	%	
CSDR	United Republic of Tanzania	100	100	-	-	Clearance and settlement of securities and custody of security services.

Below is the summary of the total amount invested in the subsidiary by the DSE Company.

	2023	2022
	TZS'000	TZS'000
Investment in the subsidiary		
Balance as at 1 January	227,867	227,867
Additional investment during the year	-	-
Balance as at 31 December	**227,867**	**227,867**

Below is the summary of the subsidiary performance results and financial position.

	2023	2022
	TZS'000	TZS'000
Statement of financial position		
Total assets	1,946,775	1,639,340
Total liabilities	(522,809)	(512,884)
Net assets	**1,423,966**	**1,126,456**

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for the year ended 31 December 2023

17. Investment In Sunsidiary (Continued)

	2023 TZS'000	2022 TZS'000
Statement of profit or loss and other comprehensive income		
Gross income	2,036,120	1,586,088
Total expenses	(1,601,609)	(1,425,496)
Profit before tax	**434,511**	**160,592**

18. Trade and Other Receivable

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Trade receivables	1,518,701	1,196,771	1,001,910	850,177
Other receivables	371,784	235,475	404,397	245,120
	1,890,485	**1,432,246**	**1,406,307**	**1,095,297**

(a) Trade receivables

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Listing fee receivables	506,532	708,192	664,292	708,194
Transaction fee receivables	1,020,573	578,873	339,690	174,726
Gross Receivables	152,105	1,287,065	1,003,982	882,920
Loss allowance (See Note 6(a))	(38,404)	(90,294)	(2,072)	(32,743)
	1,518,701	**1,196,771**	**1,001,910**	**850,177**

(b) Other receivables

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Staff car loans receivables	43,154	42,963	43,154	42,963
Staff advances	169	1,542	-	-
Prepaid expenses	181,276	102,002	139,518	79,621
Distribution receivable from investment in unit trust	8,688	-	8,688	-
other receivables*	87,108	45,288	33,755	9,576
VAT Receivables	19,509	-	19,509	-
Due from Fidelity Fund	31,880	43,680	31,880	43,680
Due from related parties (See Note 28 (b))	-	-	127,893	69,280
	371,784	**235,475**	**404,397**	**245,120**

**Other receivables relate to amount due from other listed companies in relation to dividend processing cost and WHT not accounted for from banks.*

19. Government Securities at Amortised Cost

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Treasury bond	9,881,550	9,878,294	9,881,550	9,878,294
	9,881,550	**9,878,294**	**9,881,550**	**9,878,294**

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19. Government Securities at Amortised Cost (Continued)

The Exchange has four (4) 15-year bonds and three (3) 20-year bonds as analysed below.

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
15-year Treasury Bonds	4,078,806	4,074,590	4,078,806	4,074,590
20-year Treasury Bonds	5,802,744	5,803,704	5,802,744	5,800,556
	9,881,550	**9,878,294**	**9,881,550**	**9,875,146**

The Coupon rate and maturity date on Government securities as at 31 December 2023 and 31 December 2022 are shown below:

	2023		2022	
	Coupon Rate	Maturity date	Coupon Rate	Maturity date
15 years Treasury Bonds	13.50%	27-Feb-35	13.50%	27-Feb-35
15 years Treasury Bonds	13.50%	27-Feb-35	13.50%	27-Feb-35
15 years Treasury Bonds	13.50%	29-Jan-36	13.50%	29-Jan-36
15 years Treasury Bonds	13.50%	25-Feb-36	13.50%	25-Feb-36
20 years Treasury Bonds	15.49%	22-Apr-40	15.49%	22-Apr-40
20 years Treasury Bonds	15.49%	21-May-40	15.49%	21-May-40
20 years Treasury Bonds	15.49%	20-May-41	15.49%	20-May-41

20. Loan to DSE SACCO

The loan to SACCO is split into current and non-current portion as seen below:

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Current portion	58,505	107,143	58,505	107,143
Non-current portion	48,638	46,700	48,638	46,700
Total	**107,143**	**153,843**	**107,143**	**153,843**

Loan to SACCO relates to the amount lent by the Exchange to the DSE employees through the SACCO. The SACCO is a legal entity owned by the DSE employees in which DSE has no control. The loan accrues interest at a reducing balance rate of 4% per annum and is for a period of 5 years.

Repayments are done on a monthly basis through direct salary deduction by DSE. The Exchange considers the loan to have low recovery risk as such no ECL has been charged to the loan.

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Opening Balance	153,843	199,815	153,843	199,815
Interest income	2,415	3,137	2,415	3,137
Interest repayment	(2,415)	(3,137)	(2,415)	(3,137)
Principal repayment	(46,700)	(45,972)	(46,700)	(45,972)
Closing Balance	**107,143**	**153,843**	**107,143**	**153,843**

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The loan to SACCO is split into current and non-current portion as seen below:

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Non-current portion	58,505	107,143	58,505	107,143
Current portion	48,638	46,700	48,638	46,700
Total	**107,143**	**153,843**	**107,143**	**153,843**

21. Short Term Deposit

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
The short-term deposits are held at the following institutions:				
Equity Bank Tanzania Limited	3,902,993	3,474,947	3,902,993	3,474,947
TCB Plc	2,912,139	2,619,834	2,912,139	2,619,834
Akiba Commercial Bank	1,800,207	1,611,658	1,800,207	1,611,658
CRDB Bank Plc	877,664	797,877	877,664	797,877
DCB Bank Public Limited Company	-	1,048,493	-	1,048,493
UBA Bank Tanzania Ltd	394,470	358,954	-	-
Azania Bank Limited	4,885,095	4,345,660	4,086,064	3,630,099
Bank of Africa Tanzania Limited	-	2,356,520	-	2,356,520
MHB	1,039,452	-	1,039,452	-
KCB Bank Tanzania Limited	2,635,162	-	2,635,161	-
	18,447,182	**16,613,943**	**17,253,680**	**15,539,428**

All short-term deposits have original maturities of more than 3 months but less than one year. The effective interest rate and maturity date on short term deposits as at 31 December 2023 and 31 December 2022 are shown below:

FDR Summary	2023 Effective interest rate per annum	2023 Maturity date	2022 Effective interest rate per annum	2022 Maturity date
Equity Bank Tanzania Limited	12.00%	27-Apr-24	12.00%	27-Apr-23
Tanzania Commercial Bank Plc	11.50%	-	11.50%	-
Tanzania Commercial Bank Plc	11.00%	22-Jan-24	11.00%	21-Jan-23
Bank of Africa Tanzania Limited	-	-	12.00%	10-Aug-23
Azania Bank Limited	13.00%	11-Oct-24	13.00%	11-Oct-23
Azania Bank Limited	12.00%	19-Oct-24	12.00%	19-Oct-23
Azania Bank Limited	12.00%	16-Oct-24	12.00%	16-Oct-23
Azania Bank Limited	12.00%	04-Nov-24	12.00%	04-Nov-23
MHB	10.00%	08-Aug-24	-	-
CRDB Bank Plc	10.00%	13-May-24	10.00%	13-May-23
DCB Bank Plc	-	-	10.00%	08-July-23
UBA Bank Tanzania Limited	13.00%	06-Jan-24	13.00%	06-Jan-23
KCB Bank Tanzania Limited	12.00%	15-Aug-24	-	-

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22. Investment In Unit Trust

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Balance as at 1 January	-	-	-	-
Addition during the year	700,000	-	700,000	-
Fair value gain	2,493	-	2,493	-
Balance a sat 31 December	**702,493**	**-**	**702,493**	**-**

DSE has invested in Bond Fund which is an open–end balanced fund which aims at distributing income periodically. The Fund is fully managed by UTT AMIS Plc.

23. CASH AND CASH EQUIVALENTS

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Unrestricted cash balances				
Cash at bank	135,411	55,952	90,160	25,176
Cash at hand	456	411	456	411
	135,867	**56,363**	**90,616**	**25,587**
Restricted cash balances				
Cash at bank - ACB Car Loan Fund*	10	958	10	958
	10	**958**	**10**	**958**

*This is the balance which relates to cash set aside for the purpose of extending loans to staff for purchase of motor vehicles.

For the purpose of the statement of cash flows, cash and cash equivalents comprises unrestricted cash at hand and in bank as indicated above.

24. Car Loan Fund

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Car loan fund at end of the year	35,000	35,000	35,000	35,000
	35,000	**35,000**	**35,000**	**35,000**

This is a fund established on 3 August 2001 from the accumulated fund account with a seed capital of TZS 35 million for the purpose of extending loans to staff for purchase of motor vehicles.

25. Grants

a) Capital grant

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
As at 1 January	1,147,853	1,202,541	1,147,853	1,202,541
Grant amortization	(54,688)	(54,688)	(54,688)	(54,688)
As at 31 December	**1,093,165**	**1,147,853**	**1,093,165**	**1,147,853**

The Capital grants comprise the following items: FSDT Grant for Mobile Trading Platform System, Grant from the world bank grant for Automated Trading System, and cash advanced to the DSE by the Government.

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25. Grants (Continued)

The group was advanced cash by the government for acquisition of office building whereas the Group has made 60% advance payment made for purchase of office space measuring approximately nine hundred and six decimal one four square meters (906.14 sqm) being part of a building constructed by the National Housing Corporation (NHC). The grant will be amortized over the useful life of the building. The Group is prohibited from selling the office building.

(b) Revenue grant

	2023	2022	2023	2022
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
At start of the period	22,985	56,864	22,985	56,864
Grant received	-	-	-	-
Grant amortization	(22,985)	(33,879)	(22,985)	(33,879)
At end of the period	**-**	**22,985**	**-**	**22,985**

(c) Business Incubation

	2023	2022	2023	2022
	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
At start of the period	22,985	56,864	22,985	56,864
Grant received	-	-	-	-
Grant amortization	(22,985)	(33,879)	(22,985)	(33,879)
At end of the period	**-**	**22,985**	**-**	**22,985**

The revenue grants comprise the following items: FSDT Grant for business Incubation Program and Grant for DSE scholar investment challenge. Business incubation program is programs for startup companies that aim at facilitating capacity building, providing network opportunities and providing access to different types of funding options including borrowing, venture capital funds, private equity and equity/debt public issuance to identified companies.

Grants are issued on condition of being spent on the intended activity and DSE to maintain appropriate financial records in relation to the grant project funds.

26. Share Capital and Reserves

	2023	2022	2023	2022
(a) Share Capital	Group	Group	Company	Company
	TZS'000	TZS'000	TZS'000	TZS'000
The Exchange has authorized capital of TZS 20 billion divided into 50 million ordinary shares of TZS 400 each	20,000,000	20,000,000	20,000,000	20,000,000
Issued and fully paid: 23,824,020 ordinary shares of TZS 400 each (ordinary shares)	9,529,608	9,529,608	9,529,608	9,529,608
(b) Share premium	**1,850,374**	1,850,374	**1,850,374**	1,850,374

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Revaluation Reserve

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
At 1 January	108,229	196,935	108,229	196,935
Revaluation loss	-	(86,331)	-	(86,331)
Transfer of excess depreciation	(2,375)	(2,375)	(2,375)	(2,375)
At 31 December	**105,854**	108,229	**6,303**	108,229

The revaluation reserve relates to revaluation of property, plant and equipment immediately before its reclassification to investment property.

27. Trade and Other Payables

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Contracts with customers	1,138,367	909,266	1,138,367	909,266
Other payables	1,517,279	1,311,027	1,134,213	867,426
	2,655,646	**2,220,293**	**2,273,269**	**1,776,692**

(a) Contracts with customers

The group has recognised the following liabilities related to contracts with customers

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Deferred fees - corporate entities	33,640	-	33,640	-
Deferred fees - Government	1,104,727	909,266	1,104,727	909,266
	1,138,367	**909,266**	**1,138,367**	**909,266**

Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year.

Revenue recognized that was included in the contract liability balance at the beginning of the period.

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Listing fee-Corporate entities	79,852	35,000	79,852	35,000
Listing Fee-Government bonds	814,369	681,032	814,369	681,032
	894,221	**716,032**	**894,221**	**716,032**

Contract liabilities as per IFRS 15, relates to the listing fee that DSE has received from companies who are on the process of listing to the exchange but the same has not yet been realized. DSE rules stipulates that the received fee from the company which is required to list will not be earned until the company is listed or upon expiration of the period of two years if the company fails to list.

Terms and conditions of the above liabilities:

- Trade payables are non-interest bearing and are normally settled between 15 to 45 days after date of invoice; and
- Accruals are non-interest bearing and have an average term of 30 days.

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(b) Trade and Other payables

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Accruals for goods and services	456,785	293,096	433,035	269,875
VAT Payable	51,138	32,869	-	6,048
WHT Payable	109,641	22,022	100,637	16,120
Payroll related tax liabilities	351,661	338,255	323,860	254,242
Bonus Payable	185,098	123,143	137,682	123,143
Due to related Parties	-	-	11,850	-
Due to Fidelity Fund	58,477	35,682	58,477	35,682
Dividend process fee payable	179,989	247,663	-	-
Other payables	124,490	218,297	68,672	162,316
	1,517,279	**1,311,027**	**1,134,213**	**867,426**

28. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. The Company fully owns CSD & Registry Company Limited.

Transaction with related parties during the year were in the normal course of business and they give rise to amounts due from related parties as shown:

(a) Transactions with related parties

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Sale of services to CSDR	-	-	146,084	157,278
Purchase of service from CSDR	**-**	**-**	**73,251**	**-**

(b) Balance from related party

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
CSDR	-	-	127,893	69,280

(c) Balance to related party CSDR

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
CSDR	-	-	11,850	-

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the exchange, directly or indirectly of the exchange.

i. Executive key personnel

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Short-term employee benefits	1,405,503	1,191,957	1,002,828	824,037
Pension contribution plans	210,825	179,646	150,424	120,052
	1,616,328	**1,371,603**	**1,153,252**	**944,089**

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ii. Directors' fees

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Directors' fees	149,700	159,450	110,250	118,250
	149,700	**159,450**	**110,250**	**118,250**

29. Earnings Per Share

Basic Earnings per Share (EPS) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Exchange by the weighted average number of ordinary shares outstanding during the period. DSE does not have potential ordinary shares with convertible options and therefore there is no dilutive impact on the profit attributable to the ordinary shareholders of the exchange.

	2023 Group	2022 Group	2023 Company	2022 Company
Net profit attributable to shareholders (TZS'000)	5,696,071	4,482,653	5,398,560	4,375,341
Weighted average number of ordinary shares in issue (note 24)	23,824	23,824	23,824	23,824
Basic/diluted earnings per share (TZS)	239.09	188.16	226.60	183.65

	2023 Group TZS'000	2022 Group TZS'000	2023 Company TZS'000	2022 Company TZS'000
Dividends paid	2,763,586	2,398,364	2,763,586	2,398,364
Dividend per share	116.00	100.67	116.00	100.67

In June 2016 DSE issued shares to the public and thereafter self-listed its shares on its own Exchange on 12th July 2016. Earnings per share have been calculated for the current period and previous period.

Dividend Paid

During its 6th Dar es Salaam Stock Exchange Public Limited Company (DSE) Annual General Meeting, the DSE Shareholders approved a final dividend of TZS 116.00 per share (2022: TZS 100.67) which amounted to TZS 2,764 million. Dividend was paid on 30 June 2023.

30. Capital Commitments and Contingent Liabilities

Capital Commitment

The Exchange has entered into an agreement with the National Housing Corporation to purchase additional space with square meter 69.5 at a cost of USD 139,000, the exchange has already paid the amount for additional space to NHC, the exchange now owns a total 1,075 square meter which has a total cost of USD 2,263,000/=. The Exchange has already settled the first and the second instalments to the acquisition amounting to USD 1,413,400 which is 60% of the total cost and therefore there is a commitment of USD 849,600.

Contingent liabilities

The Directors confirm that there are no capital commitments or contingent liabilities against the Company as at 31 December 2023.

31. Subsequent Events

Subsequent to reporting date, there is no any event that amounts to recognition or disclosure in these financial statements.