



BDO MALTA

Transparency Report 2025

— CONTENTS



OUR WHY	3
MISSION STATEMENT	4
FACT & FIGURES	5
BDO Global & BDO Malta statistics	5
BDO regional statistics	5
INTRODUCTION	6
From our Senior Managing Partner	6
From our Chief Executive Officer	7
TRANSPARENCY REPORT 2025	9
Legal Structure & Ownership	9
BDO INTERNATIONAL	10
Description of Network	11
BDO MALTA	13
Governance Structure	15
Leadership Responsibilities	15
Ethical and Independence Requirements	16
PEOPLE & CULTURE	25
Compensation & Benefits	27
Training & Development	27
BDO IN THE COMMUNITY	28
ENGAGEMENT PERFORMANCE	36
FINANCIAL INFORMATION	45



Our Why

Many organisations refer to their core purpose as being a 'fundamental reason for being'. At BDO, we call what we stand for our WHY. Our WHY puts into words why BDO exists: it defines us - and it is why we are unique.

In a business powered by people and relationships, we believe that our WHY helps our clients in choosing to work with us and encourages our people to stay with us. It also means that we actively support and help our local communities, initiatives and charitable enterprises.

**People helping people achieve their dreams –
That's our WHY.**

Mission Statement

OUR VISION IS TO BE THE LEADERS IN ACCELERATING BUSINESS GROWTH THROUGH EXCEPTIONAL CLIENT SERVICE. CONSISTENT EXCELLENCE IN QUALITY, EMPOWERED PEOPLE AND OUR VALUES ARE THE FOUNDATIONS ON WHICH THIS IS BUILT.

This means offering a tailored service, believing in the importance of close personal relationships, listening carefully and working with our clients to determine what exceptional client service means to them.

Our Brand Values

Our firm is distinctive, we want to preserve and build on the strengths of our culture and the characteristics that make us both successful and different. Our culture is built on a strong belief in our core values.

Honesty & Integrity

Be transparent, genuine and fair. Operate with the highest degree of personal and professional integrity. We need and want our clients to trust us. This can only happen if we act with honesty and integrity.

Mutual Support & Respect

Value and support each other. Maintain an inclusive working environment where teamwork and relationships matter. This allows us to work better together and to deliver better services to our clients as a result.

Professional & Personal Client Relationships

Understand the person as well as the business. Build relationships based on respect, trust and exceptional service. This reflects our commitment to understanding our clients and their businesses and markets.

Empowerment & Personal Responsibility

Work with confidence, flexibility and freedom. Understand that trust and responsibility go hand-in-hand. There can be no one-size-fits-all approach and we empower our people to have the flexibility and freedom to deliver what our clients need.

Facts & Figures

BDO GLOBAL STATISTICS 2025¹

GLOBAL REVENUES



TOTAL HEADCOUNT



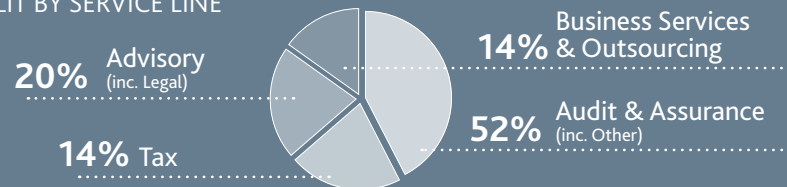
GLOBAL FOOTPRINT



PERCENTAGE REVENUE BY REGION



FEE SPLIT BY SERVICE LINE



¹ Data 1 October 2024 to 30 September 2025 (including alliance firms)

BDO MALTA & BDO ENTITIES IN MALTA STATISTICS 2025²

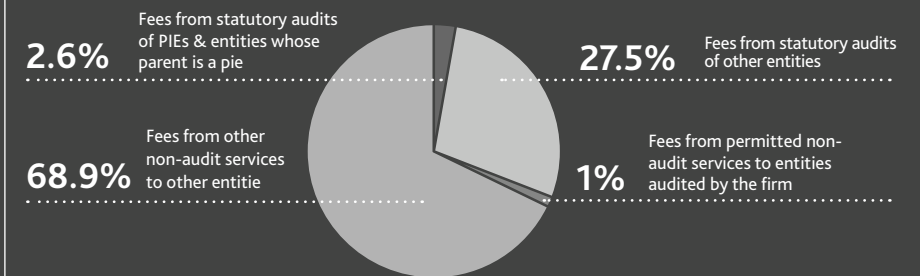
REVENUE



TOTAL HEADCOUNT

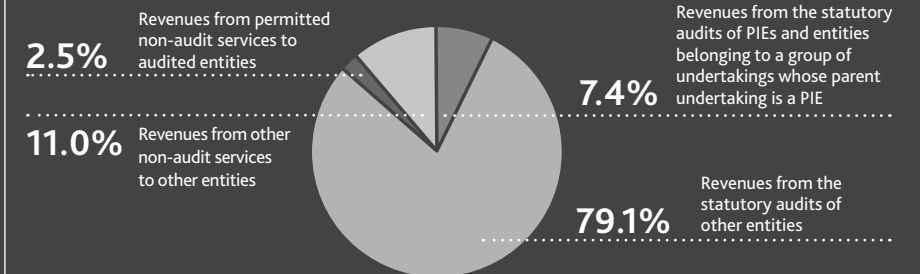


2025 BDO MALTA & BDO ENTITIES IN MALTA REVENUE SPLIT



² Data 1 January 2025 to 31 December 2025

2025 BDO MALTA REVENUE SPLIT



² Data 1 January 2025 to 31 December 2025

Introduction

From the Senior Managing Partner

WELCOME TO BDO MALTA'S TRANSPARENCY REPORT FOR THE FINANCIAL YEAR ENDING ON 31ST DECEMBER 2025

We are excited to present our 2025 Transparency Report.

Throughout 2025, we continued to build on a strong foundation, ensuring that our services exceed the expectations of our clients, and our processes meet the relevant standards for regulatory compliance and ethics.

BDO Malta remains committed to integrity, professional excellence, and a sustainable future.

During the year under review, BDO Malta recorded a steady fee income of €11.9 million, a reflection of the confidence placed in us by our clients and the efforts put in by our teams. The diversity of our client portfolio, coupled with a multidisciplinary approach, has allowed us to remain resilient and forward looking.

As businesses face shifting regulatory requirements and operational challenges, we are well-positioned to support our clients with expertise that extends across multiple industries. Quality remains at the core of everything we do, reinforced by continued investment in our people, training, digital resilience, and technology.

At BDO Malta, we understand the importance of investing in our people, culture, training, and development. This, together with a robust digital security framework and quality management, will remain a key focus. These areas are critical to ensuring that we deliver the service levels expected in an environment that demands both accuracy and timeliness.

We extend our appreciation to our clients, partners, leadership and management team, and colleagues, whose contributions drive our ongoing success. As we look ahead, we remain focused on strengthening our commitment to deliver excellent value across all areas of our work.



John J. Attard

Senior Managing Partner
April 2026



Introduction

From the Chief Executive Officer

PIVOTING INTO A FUTURE-READY STATE

At BDO Malta, we are well-positioned to navigate the rapidly evolving regulatory and risk landscape – this is what our clients expect of their key partners and advisors such as BDO. We remain mindful of our heritage as we pivot into our future by evolving our processes, our tools and our mindset to address new challenges and capture opportunities as these emerge.

BDO Malta leads with purpose and this year's report reflects how we are delivering on our commitment to quality, integrity and innovation while staying true to our purpose: people helping people. Our firm has continued to expand its capabilities to ensure that we can continue supporting our clients' growth. Managing risks effectively remains an important pillar for any client aspiring to achieve further business prosperity.

During the year under review, BDO Malta recorded a steady fee income of €11.9 million, a reflection of both the demand for our expertise and the confidence that organisations place in our ability to deliver value. Beyond fee revenue performance, our success is measured by our purpose of helping our clients succeed, the respect we show to our people and our planet.

A key priority has been equipping our professionals with digital tools and training to support our clients in overcoming regulatory and operational challenges. In this context, BDO Malta became the first audit and advisory firm in Europe to deploy Fieldguide – a US based AI-powered risk advisory tool for internal audit services. This is a significant investment which brings AI tooling to our engagement teams, standardisation in our processes, a better customer experience and a focus on risks that truly matter to our clients instead of repetitive ticking of checklists. We have since assisted other BDO Member Firms within the European region to successfully deploy the tool within their operations.



Introduction

From the Chief Executive Officer

Throughout the period under review, Chris Scicluna was appointed as Chief Operations Officer where he focuses on business operations and growth. Chris excels in driving operational clarity and strategic initiatives across the firm, as well as capturing new opportunities. The addition of this new role within our organisational structure will provide BDO Malta with additional momentum to thrust forward with impact.

UPHOLDING A CULTURE OF QUALITY

Quality remains the foundation of everything we do. Our annual Audit Quality Award allows us to recognise excellence within our audit teams.

As part of this commitment, Edward Bugeja was promoted to Associate Audit Director in January 2025 and subsequently, Audit Director to lead engagement teams in the provision of audit services. Since he joined BDO Malta in 2019, he has been involved in audits of various types of entities ranging from small local entities to large, listed entities including various financial services firms and banks.

In addition to this, in 2025, Audrey Azzopardi joined as Director - Direct Tax where she leads a team of compliance specialists, international tax and transfer pricing subject matter experts.

We remain dedicated to helping clients manage risk, regulatory and fiscal compliance, and financial reporting. Our multidisciplinary teams provide guidance across various industries, supporting organisations in meeting their obligations efficiently and effectively.

ENGAGING WITH INDUSTRY AND STAKEHOLDERS

Our participation at events like ICE, SIGMA, Money 20/20, Governance, Risk, Compliance, and ESG Conference (GRC), Finance Malta events in Malta and abroad, provided a platform which reinforced the importance of collaboration, knowledge-sharing, and practical insights to support organisations in achieving their objectives.

LOOKING AHEAD

Driven to be the Best – with a razor-sharp focus on the needs of our clients, whilst upholding the highest standards of integrity and accountability. The challenges of today are the opportunities of tomorrow and we embrace the future with confidence.

At BDO Malta, our business and our people remain resilient and agile in a rapidly evolving world. Through investment, a continuous improvement mindset, and a culture with ethics at its heart, we're excited for what we can achieve over the next year and how we can make a difference to our clients, colleagues and communities.

We extend our appreciation to our clients, partners, and professionals for their collaboration and dedication. The year ahead presents both challenges and opportunities, and we look forward to continuing to provide value-driven solutions to the organisations we serve.



Mark Attard

Partner & CEO

April 2026

TRANSPARENCY REPORT 2025

This transparency report has been drawn up in terms of directive 2006/43/EC of the European Parliament and the council, of 17th May 2006, together with the Accountancy Profession Act. (Chapter 281 of the Laws of Malta)

Legal structure and ownership

BDO Malta, a civil partnership registered in Malta, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms (see more detailed information in the next section).

BDO Malta is owned by Mr. John J. Attard and Mr. Mark Attard who are partners within the firm.

At the end of 2025, BDO Malta was managed by two equity partners and two non-equity partners.

The firm provides audit and assurance services, tax and other non-assurance services. It holds a licence to practice as an audit firm in terms of the Accountancy Profession Act.

Other services to clients are provided principally through BDO Consult Limited, BDO Technology Advisory Limited, BDO Services Limited, BDO Fintech Advisory Limited and BDO Advisory Limited.

BDO Malta can trace its origins back to 1978. It became a correspondent of the BDO network in 1988 and a member firm in 1992. Besides being a professional firm of auditors, accountants, tax consultants and advisers, BDO Malta strives to establish durable and loyal ties between partners, staff and clients, while at the same time achieving a balance between the interests of all concerned.

Throughout the years we have brought together a strong team of professionals that can offer an in-depth market knowledge combined with a global industry expertise and technical skills that enable us to fulfill our clients' complex needs.

BDO Malta operates from its only office located in Msida with its registered address at Triq it-Torri, Msida, MSD 1824 Malta.

**BDO
INTERNATIONAL**



BDO International

BDO MALTA IS A MEMBER FIRM OF BDO INTERNATIONAL

DESCRIPTION OF THE NETWORK

The BDO network is an international network of independent public accounting, tax and advisory firms which are members of BDO International Limited and perform professional services under the name and style of BDO (hereafter: 'BDO Member Firms'). BDO is the brand name for the BDO network and all BDO Member Firms.

LEGAL AND STRUCTURAL ARRANGEMENTS IN THE NETWORK

Each BDO Member Firm is a member of BDO International Limited, a UK company limited by guarantee, as either a voting member (one per country) or a non-voting member. BDO International Limited is the governing entity of the BDO network and sets the membership obligations of the BDO Member Firms in the Regulations.

The BDO network is governed by the Council, the Global Board and the Global Leadership Team of BDO International Limited.

The Council comprises one representative from each voting member and comprises the members of BDO International Limited in general meeting.

The Council approves the network's central budget, appoints the Global Board and approves any changes in the Articles and Regulations of BDO International Limited.

The Global Board, which is the Board of Directors of BDO International Limited, comprises a representative of the BDO network's seven largest member firms, whose appointment, each for a three-year term, is approved by the Council.

The Global Board sets priorities for the BDO network and oversees the work of the Global Leadership Team. The Global Board meets at least four times a year.



BDO International

BDO MALTA IS A MEMBER FIRM OF BDO INTERNATIONAL

The Global Leadership Team is supported by the Global Office at Brussels Worldwide Services BVBA. Brussels Worldwide Services BVBA, a Belgian limited liability company, provides services to assist in the coordination of the BDO network.

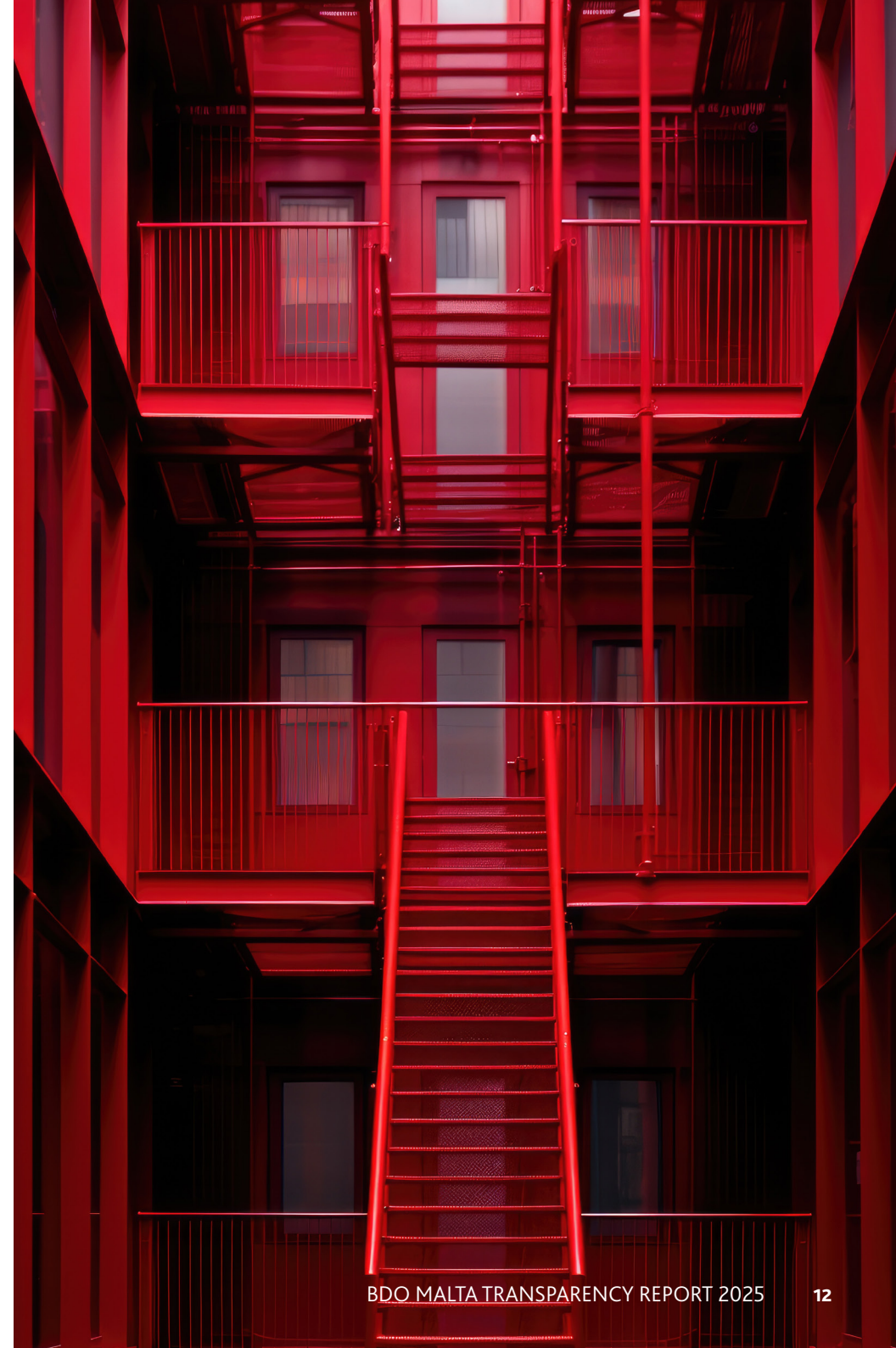
BDO International Limited and Brussels Worldwide Services BVBA do not provide any professional services to clients. This is the sole preserve of the BDO Member Firms.

Each of BDO International Limited, Brussels Worldwide Services BVBA and the BDO Member Firms is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of BDO shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BVBA and/or the BDO Member Firms.

The global aggregated turnover for BDO member firms (including their exclusive Alliances) in 166 countries for the year ended 30 September 2024 was in excess of €14bn. Partner and staff numbers at 30 September 2024 were approximately 119,611.

This tangible growth in revenues can be attributed to:

- ▶ The network's successful mergers and acquisitions strategy, aided by the continuing consolidation of the accountancy profession;
- ▶ New firms expanding the network's global footprint and bolstering performance in existing key territories;
- ▶ Sustained organic growth across all regions;
- ▶ The drive to adapt and transform the delivery of exceptional client service through the application of powerful new technologies.



BDO MALTA



BDO Malta

BDO Malta is a Member Firm of BDO International, one of the world's largest professional services firms. BDO provides accounting and auditing, tax and consultancy services on a globally integrated basis with over 870 offices in more than 169 countries and territories. Combining our international capabilities and local market knowledge with an extensive range of skills and industry expertise, we are able to provide a complete service for all accounting, audit, legal, management consulting and corporate finance needs.

The following entities conduct their business under the BDO brand in Malta: BDO Technology Advisory Limited, BDO Services Limited, BDO Consult Limited, BDO Fintech Advisory Limited, BDO Advisory Limited.

Licensed by the Malta Financial Services Authority to provide trustee and fiduciary services in terms of the Trust and Trustees Act (Cap 331), BDO Consult Limited's team of well-trained individuals work with integrity and commitment to providing an excellent service tailored to meet specific requirements.

The services we provide are as follows:

- ▶ Tax Consultancy
- ▶ Tax & VAT Compliance
- ▶ Incorporation / Formation of Companies
- ▶ Finance & Accounting Outsourcing
- ▶ Bank Account Opening
- ▶ Legal & Consultancy Services
- ▶ Licensing
- ▶ Correspondence & Administrative Services
- ▶ Company Secretary
- ▶ Directorships
- ▶ Audit & Assurance
- ▶ Payroll
- ▶ Trusts & Foundations
- ▶ Securitisation Vehicle & Funds Setup
- ▶ Malta Residence & Visa Programme
- ▶ Gaming Advisory & Compliance
- ▶ Gaming Key Individuals Outsourcing
- ▶ AML/CFT Compliance Advisory
- ▶ IT Assurance
- ▶ IT Managed Solutions
- ▶ IT Compliance & Regulatory Advisory
- ▶ Accounting & Outsourcing
- ▶ Risk Advisory
- ▶ Fintech Advisory
- ▶ Fiduciary Services
- ▶ Technology Solutions & Advisory
- ▶ Aircraft Registration and Tax Advice
- ▶ GDPR & DPO Services
- ▶ Internal Audit
- ▶ Whistleblower Protection Services
- ▶ DORA Compliance Services

BDO Malta is an end-to-end professional services provider assisting international and local companies in transactions, tax, licensing for regulated businesses, company administration, advisory and consulting, as well as other corporate requirements.

Our team evolved in its present form through the engagement of specialists who have excelled in their various fields. Our exceptional service delivery is built on five key components: clear understanding of client needs, effective communication, commitment to our clients, the best available professionals and strong ethical values.

Governance Structure & Internal Quality Control

GOVERNANCE STRUCTURE

At BDO Malta, the management function is carried out by the partners. Mr. John J. Attard is the Senior Managing Partner. The partners of the firm are Mr. John J. Attard, Mr. Mark Attard, Mr. Sam Spiridonov and Mr. Andrew Zarb Cousin.

Mr. John J. Attard and Mr. Mark Attard each hold 50% of the voting rights in the firm.

Mr. Mark Attard is the Chief Executive Officer and International Liaison Partner. All salaried partners receive an agreed remuneration package that is commensurate to their position and responsibilities.

The equity partners do not receive a fixed salary. They share profits on an annual basis in proportion to their equity.

LEADERSHIP RESPONSIBILITIES FOR QUALITY WITHIN THE FIRM

Quality management is dependent upon an organisational structure which is inherently sound, and which clearly defines the responsibilities of the various levels of management.

The leadership at BDO Malta is responsible for:

- ▶ developing assurance methodology and guidance to ensure compliance with auditing standards;
- ▶ maintaining the firm's technical manuals and communicating developments to the firm's partners and staff;
- ▶ helping maintain the firm's assurance practice at the highest standards prevailing in the profession, including the supervision of the firm's auditing work;
- ▶ consulting with local office partners and other professionals seeking technical advice; and overseeing the firm's technical continuing professional education programmes.

The Chief Executive Officer has the ultimate responsibility and accountability for BDO Malta system of quality management.

Our culture of quality is built on the commitment to integrity and ethical behavior. The Ethics and Independence Leader has the operational responsibility for the firm's compliance with ethics and independence requirements.

The Head of A&A Quality Management (HAAQM) has operational responsibility for the system of quality management and also operational responsibility for the monitoring and remediation process of the firm.

BDO Malta's ongoing mission is to drive quality throughout the firm. The evaluation of a firm's performance also involves the review of a sample of assurance engagements. Other monitoring procedures are implemented and performed at firm level by responsible person(s) on a periodic and continuous basis. These procedures are focused on compliance with professional standards and incremental BDO standards.

The Audit Partners have responsibility in respect of audit quality within the firm. Any changes in the firm's audit procedures can only be made after authorisation has been given by one of the partners.

The firm continually strives to achieve high quality standards in the services provided. In achieving this it is the firm's policy:

- ▶ to ensure quality in all assignments performed;
- ▶ to ensure that commercial considerations never override the quality of performance;
- ▶ to ensure that sufficient resources are devoted to the development and support of the firm's policies and procedures; and
- ▶ to ensure that all audit work is controlled and signed off by the partners.

ETHICAL AND INDEPENDENCE REQUIREMENTS

The Firm maintains compliance with independence requirements for engagements through the application of a framework outlined in the BDO Global Independence Policy, which is aligned with the IESBA Code of Ethics for professional accountants (including International Independence Standards) and The Code of Ethics requirements.

The Firm also adopts independence requirements as stipulated in The Code of Ethics for Warrant Holders issued under the Accountancy Profession Act (Cap 281) and Accountancy Profession Regulations 1986 (as amended), without reducing the requirements set out in the IESBA Code of Ethics.

The Firm's adherence to this global policy extends to encompassing engagements under ISQM1.

The Ethics & Independence Leader (EIL) is the individual responsible for overseeing the firm's compliance with Ethical and independence requirements and this role is crucial within each firm in the BDO network. The primary responsibility of the EIL is to safeguard BDO from potential threats to independence and conflicts of interest by ensuring that the local firm adheres to the BDO's Global Ethics & Independence Management Programme.

An effective conflict of interest management system is to be implemented and maintained. Such a system involves formal policies and procedures designed to identify, assess, monitor, and mitigate potential conflicts that may arise from financial interests, personal relationships, or the provision of non-assurance services to audit and other assurance

clients. The internal controls include independence declarations, client acceptance and continuance checks, restricted entity lists, and automated monitoring tools to detect conflicts at both the Firm and individual engagement levels.

An internal review of independence compliance within BDO Malta has been conducted in which:

1. The policies available on the BDO Malta intranet are diligently followed by all staff members. This includes proactively identifying potential breaches, documenting them, and taking timely corrective action.
2. Comprehensive documentation is collected from all staff members to confirm their fit and proper status. Additionally, any financial, familial, or other interests that may affect their independence are disclosed. Where potential independence concerns arise, appropriate measures are implemented to ensure continued compliance with regulatory and ethical standards.
3. The firm's leadership actively upholds the importance of independence, embedding it within the governance framework to reinforce a culture of integrity and compliance.



To ensure that the audit process remains objective and free from influences that could compromise objectivity and professional judgement, the Firm implemented a range of safeguards designed to manage potential conflicts of interest and maintain independence.

1. Financial, Employment, and Business Relationships

Financial relationships are carefully monitored to ensure that neither the Firm nor its personnel hold direct or material indirect financial interests in audit or other assurance clients that could impair independence. The firm requires regular independence confirmations from BDO personnel and maintains a system to track restricted entities and prohibited holdings. Employment relationships are also assessed to address situations where the Firm personnel have close family members employed by audit or other assurance clients. Business relationships between the Firm and assurance clients are reviewed to prevent arrangements that could create mutual financial interests or dependencies. Where such relationships exist or could arise, they are evaluated to determine whether they pose a threat to independence and whether appropriate safeguards can be applied.

2. Pre-Approval and Permissibility of Services:

Pre-approval processes are established to evaluate and approve non-assurance services provided by the Firm to audit or other clients. Before accepting any non-assurance services, an assessment is performed to ensure that the services are permitted under applicable professional standards and regulations and that they do not create any independence threats.

3. Rotation Requirements:

Partner rotation requirements are applied to promote independence and fresh perspectives in the audit engagement. Key audit partners are required to rotate off engagements after a specified period, followed by a cooling-off period before they may return to the same client.

APPLICATION OF SAFEGUARDS IN RELATION TO THREATS TO INDEPENDENCE

Where the independence of the firm is threatened (excluding cases where specific action is prohibited), an impartial evaluation is conducted by the Audit Partner, distinct from the Audit Engagement Partner, to uphold the integrity of the firm.

If the implemented safeguards are deemed insufficient to address the relevant threats, the firm is to withdraw from its role as auditor, ensuring that the established safeguards are approved by the Ethics and Independence Leader.

Team members are responsible for informing the Audit Engagement Partner, Head of Audit & Assurance Quality Management, and the Ethics & Independence Leader about potential threats to independence.

The permissibility of non-audit services is evaluated to ensure compliance with ethical standards. Additionally, any partner other than the Audit Engagement Partner intending to perform non-audit services for an audit client must inform the Audit Engagement Partner before initiating any work to properly assess the overall impact of ethical requirements on the audit engagement.

ACCEPTANCE AND CONTINUANCE OF CLIENT RELATIONSHIPS AND SPECIFIC ENGAGEMENTS

BDO Malta recognizes that potential threats to independence may arise and is committed to identifying and avoiding such situations to the greatest extent possible. To support this objective, the Firm has established a formal and robust conflict of interest assessment process that is performed prior to the acceptance of any new client, starting a new engagement for an existing client, or entering any other business transactions.

BDO Malta ensures that internal communication takes place, to assess if a conflict of interest is present, concerning all types of services, i.e. Audit and Non-Audit Services (NAS).

For clients operating internationally, an international COI process is conducted. This process involves communication with other BDO member firms to ensure comprehensive conflict checks.

This assessment helps ensure that any potential conflicts are identified early and appropriately addressed before the Firm agrees to undertake the engagement.

When potential conflicts are identified, the designated partners assess the appropriate safeguards needed for BDO Malta to accept or retain the engagement.

If conflicts cannot be eliminated or reduced to an acceptable level, even with safeguards in place, BDO Malta declines the specific engagement or resigns from conflicting engagements.

Prior to the acceptance of any new client, procedures to assess the risks associated with that client must be carried out. These will include:

- ▶ consideration of the client's business including its geographical spread and the industry it operates in;
- ▶ evaluation of information concerning the client, its management and its owners including obtaining evidence of the identity of the owners and officers of the business;
- ▶ considering information regarding the character and reputation of the prospective client and key personnel;
- ▶ assessment of potential independence risks and potential conflicts of interest;
- ▶ if relevant, inquiry of the previous auditor regarding the reasons for the change in auditor and if there is any reason why we should not accept the appointment;
- ▶ assessment of our ability to serve the prospective client; and
- ▶ reviewing filings of the company, including prior year financial statements.

The acceptance of all clients requires an approval process that is appropriate to the perceived risk. "High risk" assurance clients require prior approval by the Audit Engagement Partner and the Chief Executive Officer.

The firm has in force appropriate safeguards to ensure that any familiarity threat arising from a long association with a client by either a partner or key staff

member is reduced to an acceptable minimum level.

The firm only accepts or continues an assignment when it is certain that the client concerned does not lack integrity, and that it is competent to perform the required services and that it can comply with ethical standards and the Code of Ethics.

The Audit Engagement Partner completes the firm's client acceptance or re-appointment documentation before the start of every assignment. The relevant sections of the firm's standard audit procedures are completed during the planning stage of the assignment.

The Audit Engagement Partner must consider on an ongoing basis any information which arises in respect of an assignment, and which would have had an impact on the decision to accept re-appointment.

BDO GLOBAL PLATFORM (GUARDIAN)

An automated independence and conflict of interest monitoring tool was implemented by BDO Global to support the identification and management of potential threats to independence. Guardian is the BDO's global platform for managing independence and conflicts of interest and houses the Global Entity Management System (EMS), Conflict of Interest (COI 1), CT Portal and soon the Global Decision Management System (DM). Global DM is one of the components in the implementation of Guardian technology and is planned to go-live in October 2026. Once implemented DM will replace COI1 to streamline the client acceptance process for conflict and independence checking while helping to improve compliance. The system maintains an up-to-date database of audit clients and restricted entities.

The Guardian platform streamlines local and global processes, allowing for timely and informed decisions. This project's assisted automation ensures accuracy, responsiveness, and increased efficiency in COI and independence checking processes. This, in turn, allows BDO professionals to concentrate on what they do best – providing exceptional service to clients while upholding the highest standards of independence. This strategic investment contributes to the creation of a cohesive and integrated global network, fostering collaboration and transparency.

A standardized Global Taxonomy is also introduced across BDO.

RESTRICTED ENTITY DATABASE

A restricted entity database is maintained by the Firm as a central control mechanism to support the monitoring and enforcement of independence requirements. This database contains a comprehensive list of entities for which independence restrictions apply, including audit clients, their affiliates, and other related entities such as parent companies, subsidiaries, and entities under common control. The database is regularly updated to reflect new client acceptances, engagement changes, corporate restructurings, and regulatory requirements.

The restricted entity database is integrated with the Firm's independence and compliance systems and is accessible to partners and staff when assessing potential conflicts of interest. Personnel are required to check the database before entering financial investments, business relationships, or when accepting assignments to ensure that they do not hold a

prohibited interest in entities for which the firm must maintain independence.

This control plays an important role in supporting compliance with applicable professional standards, regulatory requirements, and the Firm's internal independence policies.

AUDIT FIRM'S INDEPENDENCE

The Firm has in place policies aimed at ensuring that it is compliant with acceptable independent standards and good practice.

These policies cover the firm, the partners and administrative staff. It is the firm's policy to encourage and support the continued professional education of all professional staff, including staff members engaged in auditing.

It is through continued professional education that the firm can ensure that high standards are maintained in the quality of work produced.

These policies and procedures adopted by the firm meet, and in many instances exceed, those that are promulgated by the Accountancy Board and the Malta Institute of Accountants.

These include:

- ▶ an annual declaration undertaken by all partners and staff;
- ▶ audit file quality control reviews examining a selection of audit files covering all Responsible Individuals on an annual basis; and other monitoring activities targeting specific aspects of audit independence.

All these monitoring and review activities were operational during the past financial year.

The Firm has designated Ethics and Independence Leaders, who monitor compliance with the applicable independence policies and procedures, provide consultations regarding independence matters, and oversee independence training.

The Firm also maintains a database of all serviced restricted entities internally and on the BDO Global Platform (Guardian), including listed companies and other public interest entities. It is done to prevent the performance of prohibited non-assurance services or investment in these entities.

The database is continuously updated, and monthly confirmations are obtained from Audit Engagement Partners, ensuring transparent and accurate representation of the client database.

Prior to the acceptance of new clients or re-acceptance of existing clients, the Firm's engagements teams perform procedures to identify potential conflicts and threats that may arise that would compromise independence.

These procedures include sending and processing conflict of interest checks, facilitating international conflict of interest and independence checks throughout the BDO Global Platform.



PREVENTION OF MONEY LAUNDERING AND FUNDING OF TERRORISM

BDO Malta's AML/CFT framework is designed around a continuous risk lifecycle, integrating client onboarding, ongoing monitoring, and periodic reassessment into a single, cohesive control environment. Client acceptance and the continuation of relationships are not treated as static checkpoints but as processes subject to reassessment based on newly identified risk factors, changes in client behaviour, and external developments. This approach ensures that decisions remain responsive to evolving circumstances and are supported by appropriate due diligence measures.

Over the reporting period, BDO Malta has further strengthened the formalisation and traceability of its risk management processes. Risk assessments, control decisions, and escalation outcomes are systematically documented within systems that maintain clear audit trails. This enables consistent evidence of how risks are evaluated and managed, and supports both internal governance and regulatory inspection requirements.

The firm continues to refine its risk assessment methodology to ensure alignment with current regulatory expectations, emerging typologies, and sector-specific developments. This includes incorporating external guidance and industry intelligence into internal risk models, ensuring that controls remain proportionate and risk-sensitive. The focus has increasingly shifted towards demonstrating the effectiveness of controls in practice, rather than solely on their design.

Governance arrangements remain central to the framework. Cases involving heightened or atypical risk are escalated through defined channels to internal committees, where decisions are subject to structured review and formal documentation. This reinforces consistency in decision-making and ensures that higher-risk scenarios receive appropriate scrutiny.

Technology-enabled controls play an expanding role in supporting compliance activities. BDO Malta utilises risk-based systems to enhance transaction monitoring, customer due diligence, and client data management. These systems facilitate the identification of anomalies and ensure that monitoring activities, and subsequent actions are recorded in a manner that supports auditability and ongoing oversight.

Independent oversight is maintained with targeted file reviews and quality assurance assessments conducted. These reviews are increasingly risk-focused and are designed to test both adherence to procedures and the practical effectiveness of controls. Findings, corrective actions, and follow-up activities are formally tracked to ensure accountability and continuous improvement.

Training remains a key control in reinforcing the firm's compliance culture. All staff are required to complete AML/CFT training, with enhanced focus on practical application, escalation protocols, and emerging risk indicators. Training delivery and completion are documented, ensuring that the firm can demonstrate staff competence and awareness across all levels of the organisation.

Through this structured and evidence-driven approach, BDO Malta continues to enhance the robustness, transparency, and responsiveness of its AML/CFT framework, ensuring it remains effective in addressing both current and emerging ML/FT risks.



Participation in Industry Events

Our teams retained a high level of activity throughout 2025 ensuring the BDO brand is present at several high-profile conferences attending as exhibitors and visitors.

ICE BARCELONA 2025

BDO Malta proudly participated in ICE 2025, one of the largest and most influential gaming events in the world, held on January 20–22, 2025.

BDO Malta showcased its expertise in supporting gaming and payment companies with regulatory compliance, advisory, technology and assurance services.

Our team collaborated with industry stakeholders to address key regulatory developments, cross-border compliance complexities, and evolving risk management requirements. Drawing on guidance and insights from BDO Malta, shared perspectives on licensing obligations, internal audit processes, financial reporting standards, and the regulatory frameworks impacting both gaming operators and payment service providers. Emphasising multi-jurisdictional compliance, BDO Malta demonstrated how tailored solutions help organisations meet regulatory expectations efficiently while safeguarding operational integrity.



PARTICIPATION IN INDUSTRY EVENTS



SIGMA EVENTS IN MALTA & ROME 2025

BDO Malta participated as an exhibitor at SiGMA Europe, one of the biggest gaming expos of the year, held in 2025. Throughout both the events in Malta and Rome, BDO's team was on hand to answer questions and network with other industry professionals, proving to be a valuable resource for visitors seeking information or guidance about gaming licensing in Malta.



BDO GLOBAL LEADERSHIP SUMMIT (Thrive)

Our CEO, Mark Attard & COO, Chris Scicluna attended 'Thrive 2025', BDO Global Leadership Summit, held in Germany.

The summit gathered over 200 senior leaders from more than 150 countries to bring our global strategy to life. The summit focused on fostering collaboration, exchanging ideas, and discussing the future of professional services, including digital transformation and AI.

PARTICIPATION IN INDUSTRY EVENTS



NEXT.io 2025

BDO Malta participated in the Next Valletta '25 Summit, organised by Next.io. The event brought together professionals from the gaming and payment sectors for focused discussions on regulation, innovation, and operational strategy. Our team engaged with industry peers and contributed to conversations relevant to in-scope organisations across Europe and beyond.



SBC MALTA SUMMIT 2025

Mark Attard (CEO) and Luke Attard (Director) represented BDO Malta at the SBC Summit Malta, a premier event in the iGaming and sports betting industry, where professionals converge to explore cutting-edge insights and forge impactful connections with senior decision-makers.

PARTICIPATION IN INDUSTRY EVENTS



MONEY20/20

Chris Scicluna (COO) and Gianni Grima (Senior Lawyer) attended Money 20/20 Europe 2025, held in Amsterdam and it is one of the leading events for innovators in the Payments, FinTech, and wider Financial Services space. They engaged with founders, financial institutions, and tech-driven businesses exploring opportunities across Europe and beyond.

A photograph of three women sitting around a dark wooden conference table in an office. They are all wearing red lanyards with the BDO logo. The woman in the center is wearing glasses and a black top, smiling. The woman on the left is wearing a light-colored top and is looking towards the center. The woman on the right is wearing a white top and glasses, also smiling. There are laptops, smartphones, and a white coffee cup on the table. In the background, there is a whiteboard and a dark door.

**PEOPLE &
CULTURE**



People & Culture

The People & Culture department plays a vital role in the firm's success. It ensures that we maintain high ethical standards while adhering to professional and legal requirements. This function is consistently focused on enhancing the following areas:

- ▶ clear and consistent policies;
- ▶ recruitment;
- ▶ performance management, training and development;
- ▶ compensation and benefits.

CLEAR AND CONSISTENT POLICIES

Our BDO Policies and Procedures are continually updated to enhance the firm's policies and procedures for our office. They are continuously monitored by our team who ensure that the contents are up to date and consistent with the guidelines set by the company.

These guidelines are formed by taking into consideration Maltese legislation as well as regulations set out by BDO International and the latest best practices in cyber security, AML and other areas.

The BDO Policies and Procedure Manual provides clarity and coherence on company goals, structures and vision to enable employees to align with them. Every employee has access to these documents and they are expected to make themselves familiar with its contents and any updates which may happen from time to time.

Non-compliance with the firm's policies and procedures by employees, is considered an obstruction of the professional and ethical standards set by the firm and may lead to various consequences.

RECRUITMENT

One of the leading functions overseen by our People and Culture team is recruitment, which works actively to find and attract professional as well as talented personnel.

The team works actively to promote diversity and inclusiveness within the firm's culture which is equally projected in the recruitment process where we do not discriminate on age, disability, ethnicity, gender, nationality, race and religion.

19
Different
nationalities

61%
Female

39%
Male

24%
Parents

33
Years
average age



COMPENSATION AND BENEFITS

As a firm, we believe that success can only be channeled through our employees and the service that they provide to our clients. In return, we invest in our employees by providing compensation and benefits to ensure that they are motivated and driven towards their daily responsibilities.

A list of benefits which BDO Malta provides are:

- ▶ Competitive Salary Package
- ▶ Annual Bonuses / Salary Increase based on performance
- ▶ Relocation Support
- ▶ Career Development & Educational support
- ▶ Health Insurance Plan
- ▶ Regular Social Activities throughout the year
- ▶ Casual Fridays
- ▶ CSR Activities
- ▶ Underground Parking
- ▶ Reduced Summer hours
- ▶ Hybrid work week
- ▶ Flexible start & end working times
- ▶ Training & Development

PERFORMANCE MANAGEMENT, TRAINING & DEVELOPMENT

The firm believes in the continuous development of employees as it warrants up-to-date knowledge which can be implemented in their day-to-day tasks. In fact, the firm has put in place certain processes such as, yearly performance reviews, reviews for employees under probation, identifying conferences / seminars which could prove beneficial to employees and educational support for employees who are interested or are already undertaking educational courses. The firm also invests in numerous soft skill training programmes to support its employees in their continuous personal development.



**BDO MALTA IN THE
COMMUNITY**

BDO MALTA IN THE COMMUNITY

At BDO Malta, we believe that we have a responsibility towards our community and our people. We are committed to being a responsible business and continuously try to help contribute to the wider community and the world around us.

This philosophy towards BDO's corporate social responsibility is aligned with BDO's values and our desire to be actively involved in the hopes of making a long-lasting positive impact. Our involvement in the community includes both financial support and the investment of our people's expertise and time in organisations and causes.

Every year, especially around Christmas, BDO in Malta makes a special effort to assist those in need in the community, as part of the annual firm's corporate social responsibility plan.

You can find below a list of NGOs and charities that we supported as part of our firm's CSR plan:

Children's Dreams

Children's Dreams is a project with the sole mission of making the Christmas wishes come true for the children identified by FSWS, which come from families facing social and financial difficulty, and also children being raised in Children's Homes.

NahsebFik

This project, "NahsebFik", publishes the wishes of elderly people who are lonely and face various social difficulties and possibly have health issues.

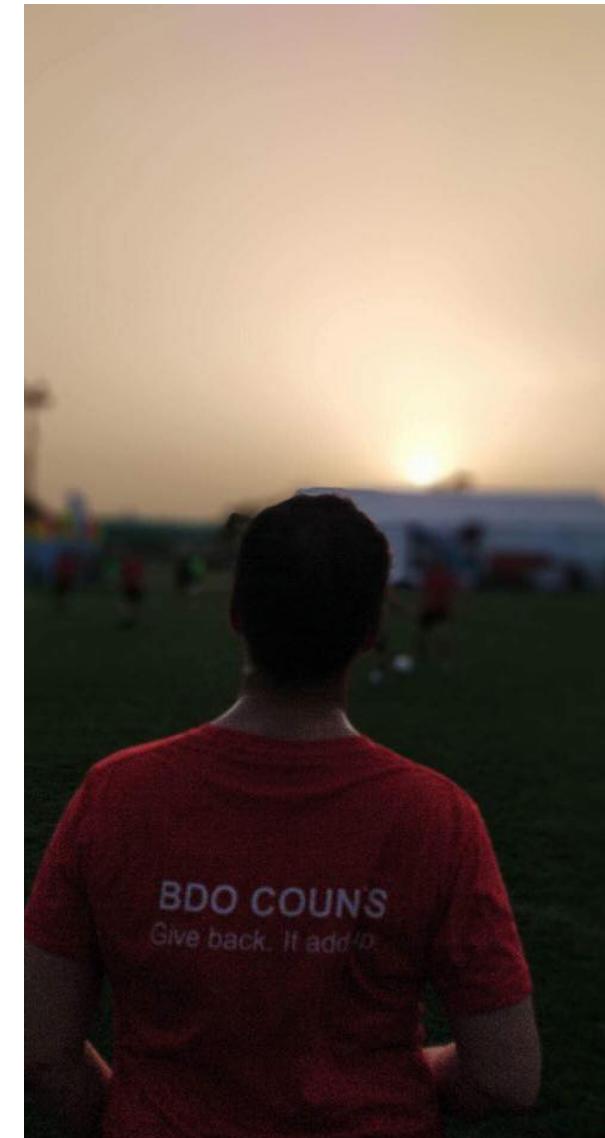
Our staff step in to support these initiatives and grant wishes by purchasing gifts for the elderly and children. The gifts are collected at the firm's office and then delivered by the team to the local distribution centres. Around Christmas, we also collect non-perishable food items that are donated to the Foodbank lifeline Foundation.

Foodbank Lifeline Foundation

Foodbank Lifeline Foundation was set up by Reverend Kim Hurst in 2015 when a member of her congregation saw someone searching for food in a public rubbish bin. Upon hearing that no foodbank existed in Malta she made it her mission to ensure that no one in Malta, had to suffer the indignity of hunger. From feeding 30 families a month, they are now feeding thousands of people every year.

BDO Charity fund

As part of our commitment to social responsibility, we have an internal charity fund, supported by BDO Malta's employees and coordinated by the Social Committee. This fund enables us to contribute to various charitable organisations throughout the year, supporting initiatives that make a meaningful difference in our community.



BDO IN THE COMMUNITY



DONATION FOR BREAST CANCER AWARENESS
MONTH DURING PINK OCTOBER

BDO IN THE COMMUNITY



AAA SANCTUARY DONATION OF VOUCHER AND SUPPLIES





FTIRA DAY FOR PUTTINU



STAFF EVENTS

Our events are an opportunity for our people to interact in a more informal way. In 2025, the staff participated in several social events, career events, training and development sessions organised throughout the year, which provided them with the opportunity to socialise both during and outside our normal working environment.



SERVICE DOGS AT THE OFFICE TO SPREAD THE WORD ABOUT THEIR MISSION



ARCHERY TEAM EVENT

STAFF EVENTS



SIP AND PAINT




GAMES NIGHT

STAFF EVENTS



BDO CHRISTMAS LUNCH & PARTY 2025

A woman with long brown hair, wearing a light pink sleeveless top and white skirt, is smiling and looking at a tablet. A man with dark hair and a beard, wearing a grey suit jacket and white shirt, is standing next to her, also smiling and looking at the tablet. They are in a modern office environment with large windows in the background.

ENGAGEMENT PERFORMANCE AND AUDIT QUALITY



The firm's system of quality management (SoQM)

OVERVIEW OF THE SOQM

International Standards on Quality Management 1 ('ISQM 1') became effective on 15 December 2022 and required firms to establish a System of Quality Management ('SoQM') which takes a proactive and risk-based approach to managing quality.

BDO Malta is responsible for designing, implementing, and operating a SoQM for audits or reviews of financial statements, or other assurance or related services engagements performed by the firm, to provide the firm with reasonable assurance that the objectives of the SoQM are being achieved.

The Firm has invested significant time and resources to establish and operate a SoQM that complies with ISQM 1 and achieves the objectives that:

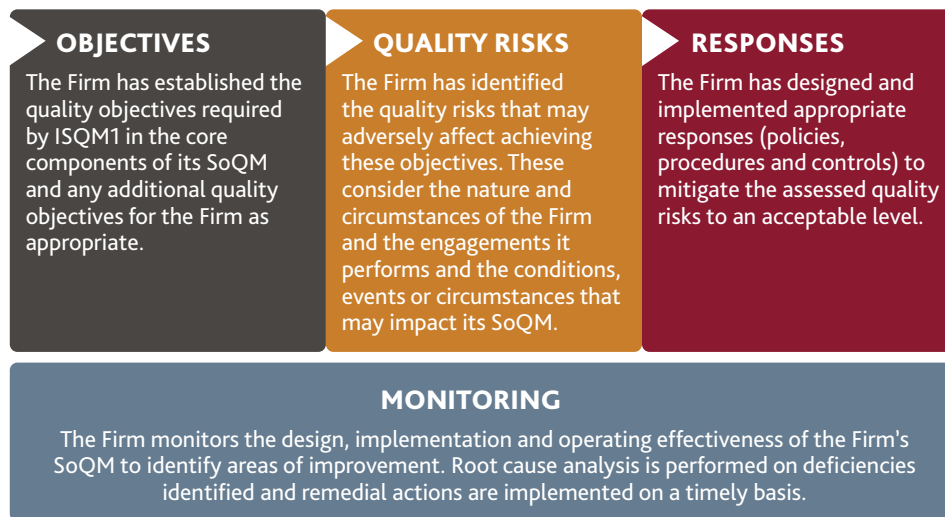
- ▶ The Firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- ▶ Engagement reports issued by the Firm or engagement partners are appropriate in the circumstances.

The Firm has adopted all of the quality objectives and specified responses as set out in ISQM 1 for all of the eight components covered by our SoQM. The eight components are:

- ▶ The Firm's risk assessment process
- ▶ Governance and leadership
- ▶ Relevant ethical requirements
- ▶ Acceptance and continuance of client relationships and specific engagements
- ▶ Engagement performance
- ▶ Resources
- ▶ Information and communication
- ▶ The Firm's monitoring and remediation process

These components operate in the Firm's SOQM in an iterative and integrated manner. Other requirements of ISQM 1 comprise the roles and responsibilities for the SoQM, leadership's overall evaluation of the system, network requirements or network services and documentation.

To support the achievement of the Firm's overall quality objectives, in establishing and continuously improving the Firm's SoQM, the Firm has carried out the following for each of the components of its SoQM:



The Firm identifies emerging developments and changes in the circumstances of the Firm or its engagements and adapts its system of quality management to respond to such changes.

Robust monitoring and remediation are an important component of the Firm's SoQM to ensure that the Firm continuously seeks to improve its quality processes. The monitoring performed may identify deficiencies in the Firm's SoQM.

Deficiencies may exist where:

- ▶ A response, or combination of responses, does not reduce to an acceptably low level the likelihood of a related quality risk occurring because the response is not properly designed, implemented, or operating effectively; or
- ▶ Another aspect of the SoQM is absent, or not properly designed, implemented, or operating effectively, such that a requirement of ISQM 1 has not been addressed.

A fundamental part of an effective monitoring and remediation process is to perform root cause analysis ('RCA') on the identified deficiencies to understand why deficiencies arose and to be able to design an effective remediation plan to prevent deficiencies from occurring again in the future. On at least an annual basis, the firm evaluates whether these deficiencies have a severe and/or pervasive impact on the achievement of the quality objectives in the Firm's SoQM.

Evaluating the SoQM

The Firm's annual evaluation of the SoQM considers information gathered about the design, implementation, and operation of the system of quality management from monitoring activities performed over the period up to the evaluation date. The monitoring activities include testing the operating effectiveness of responses, reviewing findings from internal and external inspections of engagements, and considering other relevant information obtained about the SoQM.

- ▶ A quality objective required to achieve the objectives of the system of quality management is not established;
- ▶ A quality risk, or combination of quality risks is not identified or properly assessed;

The Firm uses professional judgment to evaluate the results of these monitoring activities to determine whether findings, individually or in aggregate, are assessed to be deficiencies in the SoQM. For all deficiencies identified, the root cause is investigated and the severity and pervasiveness of the deficiency on the SoQM, individually and in aggregate with other identified deficiencies, is evaluated.



Statement on the Firm's evaluation of the SoQM

We conducted our evaluation in accordance with ISQM 1 and concluded that the firm's SoQM provides the firm with reasonable assurance that the objectives of the SoQM are being achieved as of 30 September 2025.

Reasonable assurance is obtained when the SoQM reduces to an acceptably low level the risk that the objectives of the SoQM are not achieved. Reasonable assurance is not an absolute level of assurance, because there are inherent limitations of a SoQM.

For any identified deficiencies, the Firm designs and implements remedial actions to address identified deficiencies that are responsive to the results of the root cause analysis and remedial progress is monitored.

ENGAGEMENT PERFORMANCE & AUDIT QUALITY

Common methodology

The Firm's policies and procedures are designed to ensure that audits meet all applicable professional standards and regulatory requirements and that the firm issues reports that are appropriate in the circumstances. To achieve this and to ensure consistency in the approach to auditing and related fundamental application of professional scepticism throughout the BDO network, BDO International has developed the common BDO Audit Methodology, related software tools and other standard forms of documentation.

This methodology is fully compliant with International Standards on Auditing (ISAs) and, where appropriate these common processes are used by BDO International member firms.

APT Next Gen, BDO International's in-house state-of-the-art audit software, remains the single largest global project of its kind and its evolution continues. With further substantial audit methodology and IT investment, the next generation of APT was developed and deployed in 2019 throughout the network. In 2025, BDO International has implemented a new version of APT NG 5.3.0

By designing APT NG to take advantage of recent technological advances, we are able to:

- ▶ safeguard the structural integrity of the tool for the future;
- ▶ provide us with a fully-integrated tool that reflects the latest interpretations of the auditing standards, and
- ▶ enable teams to work efficiently on both large and small engagements.

BDO AUDIT APPROACH

All BDO audit projects are managed in APT NG (Audit Process Tool). The software connected to Caseware Working Papers or internal TB tool for lead schedules and other financial information and uses templates of audit procedures that can be tuned for every client. The APT NG brings significant benefits to our audit practices throughout the network: timely and more efficient multi-location and cross border audits, a more intuitive audit methodology compliant with the clarified International Standards on Auditing (ISAs), teamwork on a real-time basis, consistent worldwide audit performance, scalability, and expected efficiency improvements after the first year.



SUPERVISION AND REVIEW

The Firm requires all professional work to be supervised by staff members who have appropriate knowledge and experience. It is the responsibility of the relevant partner to ensure that related risks are identified and that decisions are taken by those with an appropriate level of authority.

The relevant partner must also ensure that professional work is carried out efficiently and that it meets the firm's standards in all respects. The Firm's review procedures are designed to ensure efficient control of the audit as it progresses. At a granular level these are designed to ensure that:

- ▶ the work is performed in accordance with applicable standards and regulations;
- ▶ significant matters have been raised for further consideration and appropriately addressed;
- ▶ appropriate consultations have taken place;
- ▶ the planned work has where necessary been reviewed and that the objective of all planned work has been achieved;
- ▶ the work performed and evidence obtained supports the conclusions reached; and
- ▶ the documentation present on the audit file enables an experienced auditor to understand the significant matters arising on the audit as well as the nature, timing and extent of the procedure undertaken, the results of those procedures and the evidence obtained.

A concurring engagement quality review (EQR) for audits of public interest and other high risk engagements. The concurring partner review is familiar with the auditing and reporting practices used during the engagement and is knowledgeable and familiar with the client's industry.

The reviewer is an experienced professional who is not likely to be influenced by the views of a particular engagement partner. The engagement quality reviewer is not actively involved in making ongoing decisions relating to the engagement and is not involved in performing the engagement.

The tone at the top that supports the commitment to quality through communications, learning and performance management process. Our results from the latest Audit & Assurance Culture of Quality survey showed 94% of survey respondents agreed or strongly agreed that the leaders of the firm demonstrate a commitment to performing high quality work through their actions.

Team members are further encouraged to provide continuous feedback through the established channels suited to their needs including confidential Speaking-up and Whistleblower hotlines.

COMMITMENT TO AUDIT QUALITY AND CONTINUOUS IMPROVEMENT

Throughout this report, a detailed overview is provided, looking into strengthening the culture of quality within the firm while continuing to set the standard of excellence for the Audit profession. Significant progress shows in our quality journey that is underpinned by our robust System of Quality Management (SoQM), which is subject to rigorous monitoring.



The culture at BDO Malta ensures that a professional and qualitative service is always provided to all clients. The firm continually strives to achieve high quality standards in the services provided. In achieving this, it is the firm's policy:

- ▶ to ensure quality in all assignments performed;
- ▶ to ensure that commercial considerations never override the quality of performance;
- ▶ to ensure that sufficient resources are devoted to the development and support of the firm's quality control policies and procedures; and
- ▶ to ensure that all audit work is controlled and signed off by the partners.

The firm's quality system management is designed to provide a reasonable level of assurance that the firm, its partners, and staff comply with professional standards as well as regulatory and legal requirements, that work is consistently performed to a high standard, and that reports issued by the firm are appropriate.

BDO Global ISQM Platform is currently being used to facilitate and enhance the design and maintenance of our SoQM and support integrated SoQM monitoring. This Platform allows us to efficiently manage data and enables identification of business processes and responses where enhancements can be made, and allows for reporting of significant changes or findings, if any, in the design or operation of our SoQM.

BDO Global monitoring team performs a continuous review to evaluate whether the firm's SoQM has been appropriately designed and is operating effectively.

Driven by the Firm's International Core Values and by continuously fostering an attitude of continuous improvement the following actions are taken to drive quality:

1. Maintaining leadership emphasis on quality

Quality is a standing agenda item during leadership meetings. In addition to quality guidelines, quality-focused actions and behaviour are discussed.

2. Investing in quality

Systemic quality is embedded through sustained investment in people, processes, and technology.

3. Going beyond the rules

Quality is driven as a cultural value: apart from leadership emphasis, there is a focus on message credibility, peer involvement and employee ownership of all types of quality issues.

4. A quality mentality

A mentality of 'we are all in this together': the organisation, our people, our clients, and communities is created across the firm. The goal is a win-win for everyone.

5. Being clear and transparent

Information accessibility is at the heart of what we do. Making sure we are clear in what we do, and how we do it. We all do the right things the right way.

6. Continued improvement

Measures of quality are monitored and processes for continuous improvement are operational.



RECOGNITION OF QUALITY

Personnel are constantly reminded of relevant ethical requirements and the importance of exchanging information within their engagement teams and within the firm on any matters that impact quality.

The importance of quality is communicated through all levels, in all aspects of the firm.

In 2023, the firm introduced the annual quality achievement award. The partners were assigned the responsibility of soliciting nominations from team leaders for an individual who has demonstrated and embodied the company's values and dedication to quality.

The recipient of the Audit Quality Award for 2025 was revealed at an annual ceremony in February 2026, followed by department-wide celebration.

RECENT INSPECTION RESULTS

Inspection results impact quality outcome in Quality Management. We value the feedback received through the inspection process and utilize it to continually improve the quality of our audits.

The most recent BDO Global inspection report covers audits signed in 2023, which includes the review of a PIE credit institution engagement. This report concluded with a positive result.

The Accountancy Board initiated the latest quality assurance review in July 2024. The quality assurance review covered the inspection of two components from the firm's SoQM as well as a review of one file related to a captive insurance business. The final report was issued by the Regulator in May 2025, with a positive result.

BDO Malta complies with the scheduling of the periodic and ongoing monitoring required by ISQM 1 taking cognisance also of the Engagement Inspection Programme (EIP) based on the criteria issued by BDO Global which ensures that the selection of engagements is sufficient to give a representative view of the quality of the completed engagements by the Firm. In 2025 the inspection was conducted on several engagements including a PIE client. The EIP was concluded with positive results.

CONSULTATION REQUIREMENT

The firm encourages consultation with experienced partners and other specialists where appropriate. The firm has a process in place for audit partners and teams to follow when consulting and seeking the firm's opinion, support on a client issue, judgement or risk.

PUBLIC INTEREST ENTITIES AUDITED BY THE FIRM

During 2025, the firm carried out a statutory audit of Novum Bank Limited, Izola Bank plc, Dooba Finance AB (publ), Aviation Insurance Limited, SN SecureCorp Insurance Malta Ltd. The firm also audits a number of companies that may be considered of significance in view of their size, operations or ownership, but not public interest entities in terms of regulatory requirements.

IT ASSURANCE

Our IT infrastructure is regarded to be the backbone of the firm's business. The firm has collaborated with the best IT suppliers for the latest hardware technology and has gone to great lengths to be able to provide the best possible software solutions to our clients with speedy and secure systems.

Our resources are also available on various platforms and accessible from anywhere and at any point in time. Our teams are also equipped with high-end mobile solutions with secured access to the company's document management structures, sensitive client data and other facilities as expected from modern mobile offices.

CONTINUED PROFESSIONAL EDUCATION

BDO Malta adheres to the policy outlined in Directive 1 of the Accountancy Profession (Continued Professional Education), ensuring that auditors undergo continuous professional development.

The firm has a policy of facilitating and encouraging continued education as an important means of developing knowledge and maintaining and improving the quality of its services and of motivating and retaining its personnel. The continuing education program is comprised of training sessions organised by the firm specifically designed to meet its needs, by the BDO International network as well as external training by relevant professional bodies. Certain courses are mandatory, and others are optional.

The CPE requirements for professional auditors and accountants in Malta are also factored into the programme. It is the policy within BDO Malta to support and finance the CPE activities undertaken by staff members, both locally and internationally through the network.

BDO Malta has made substantial investments in talent and learning strategies as all team members are required to complete at least 10 hours of continuing professional education (CPE) each year through internal or external courses or e-learning. Furthermore, on an annual basis warrant holders must obtain a minimum of 25 hours of structured CPE, 10 of which must be related to core competences, as well as 15 hours of unstructured CPE.

Hands-on training is given to all new recruits on the BDO audit methodologies, tools and processes. A high-level of training was given to all staff with the introduction of the new BDO Audit Process Tool. More experienced personnel and partners are encouraged to constantly update and deepen their technical knowledge.

Developing management and interpersonal skills are also very important for this group. Continued professional education is also a factor taken into account for the yearly

evaluation of audit staff and the assessment of their career potential within the firm.

We are committed to developing and maintaining the highest possible standards of technical competence through our own development programmes.

FIRM'S ROTATION POLICY

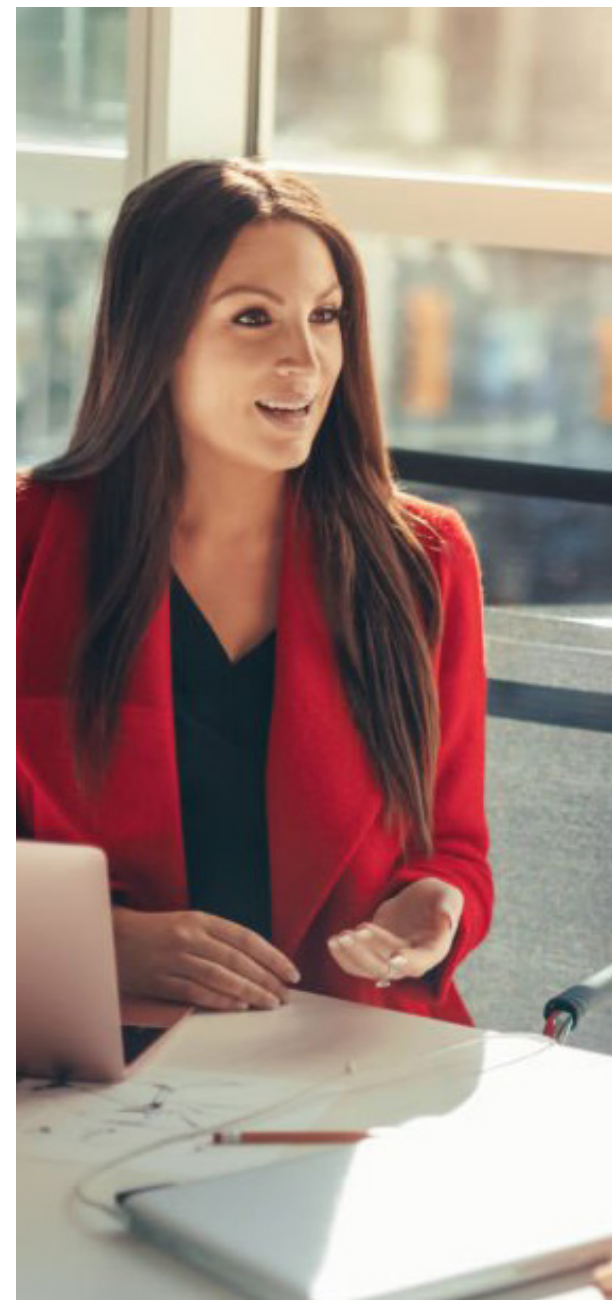
The firm's policies with respect to rotation of key audit partners and staff (i.e., those other than the engagement partner and Engagement Quality Reviewer, who are specifically covered by statute/regulation) are principle-based, depending on the facts and circumstances of the engagement.

Typically, such 'key audit partners and staff' include audit partners and senior managers/ managers performing a significant portion of the work, as well as specialist partners and senior managers/ managers (e.g., tax, valuation).

As regard to the key audit partners responsible for carrying out a statutory audit of a public interest entity, these cease their participation in the statutory audit of the audited entity not later than seven years from the date of their appointment; they will not participate again in the statutory audit of that public interest entity before five years have elapsed following that cessation.

The firm has established a gradual rotation mechanism with regard to the most senior personnel involved in the statutory audit. At BDO Malta, the most senior personnel involved in the statutory audit that are required to be rotated on a gradual basis are team leaders.

Senior personnel appointed in the audit team of the public interest entity shall cease their participation in the statutory audit of the audited entity not later than seven years from the date of their appointment and shall not participate again in the statutory audit of the audited entity before two years have elapsed following that cessation.



BDO Malta 2025 Audit Quality Highlights

Approach to Audit Quality

The latest Audit & Assurance Culture of Quality survey showed the 100% of survey respondents agreed or strongly agreed that:

- ▶ they are responsible for the delivery of quality on an engagement.

also, the 95% of survey respondents agreed or strongly agreed that:

- ▶ they understand what is expected of them with respect to quality on an engagement.
- ▶ the leaders of the firm demonstrate a commitment to performing high quality work through their actions.

and the 94% of survey respondents agreed or strongly agreed that:

- ▶ they are empowered to use their own professional judgment to make decisions about the conduct of an engagement
- ▶ the firm is committed to demonstrating ethical behaviours
- ▶ they have sufficient intellectual resources to perform their work to a high standard
- ▶ we celebrate each other's promotions and successes
- ▶ we approach changes with a "can-do" attitude

Client-facing staffing leverage ratios

1 to 1

Audit Principal to Team Leader

1 to 7.50

Audit Principal to Staff

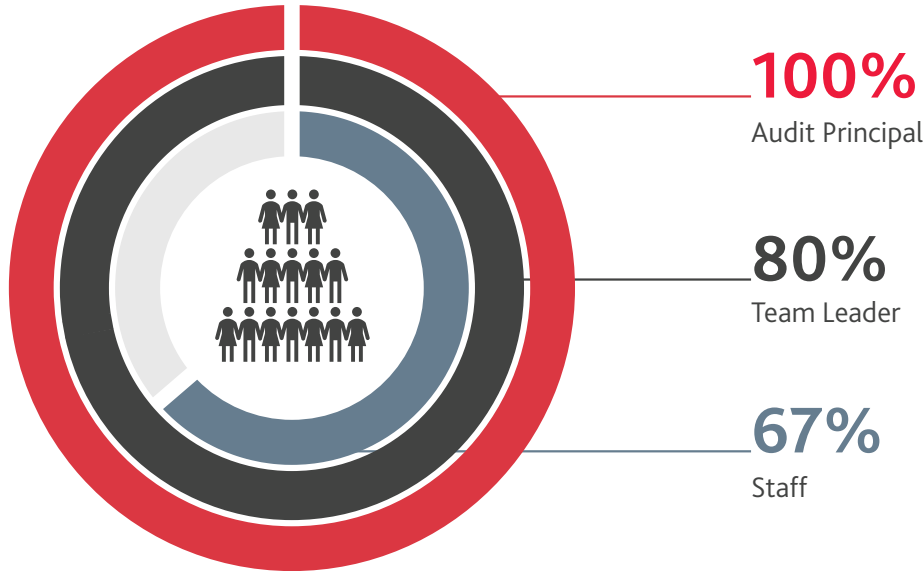
1 to 6.50

Team Leader to Staff

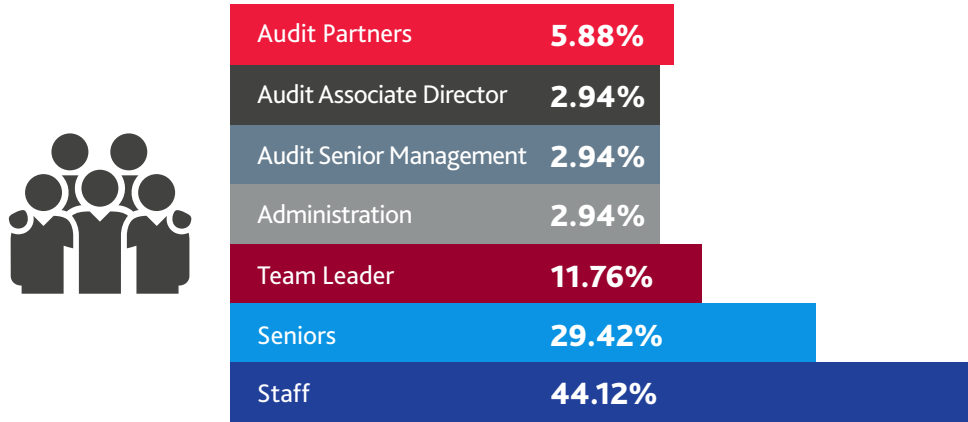
Gender split ratio



Average retention rates



Audit team members by level

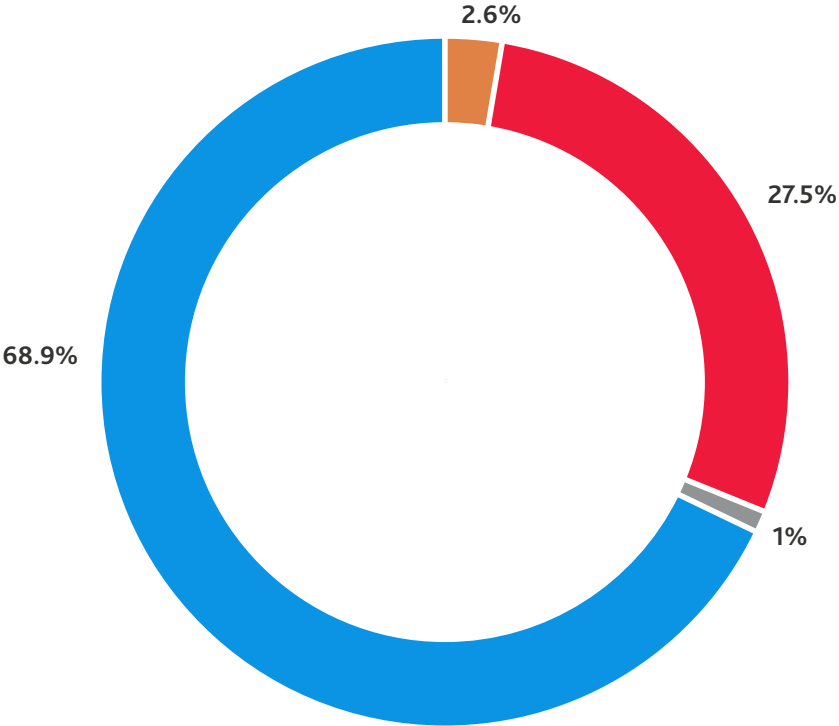


A young woman with long dark hair, wearing a red long-sleeved top, is smiling and looking towards the camera. She is sitting at a conference table in a meeting room. Other people are visible in the background, some looking at documents or laptops. The scene is brightly lit and professional.

**FINANCIAL
INFORMATION**

Financial Information

The financial statements of the entities operating under the BDO brand in Malta for the year ended 31 December 2025 are still in the process of being audited. The turnover figures presented below are preliminary and may be subject to change.



- Revenues from other non-audit services to other entities
- Revenues from the statutory audits of PIEs and entities belonging to a group of undertakings whose parent undertaking is a PIE
- Revenues from permitted non-audit services to audited entities
- Revenues from the statutory audits of other entities

BDO MALTA & BDO ENTITIES IN MALTA	
Revenues 2025	'000 €
Fees from statutory audits of PIEs & entities whose parent is a pie	307
Fees from statutory audits of other entities	3,282
Fees from permitted non-audit services to entities audited by the firm	103
Fees from other non-audit services to other entities	8,208
TOTAL	11,900

BDO MALTA	
Revenues 2025	'000 €
Revenues from the statutory audits of PIEs and entities belonging to a group of undertakings whose parent undertaking is a PIE	307
Revenues from the statutory audits of other entities	3,282
Revenues from permitted non-audit services to audited entities	103
Revenues from other non-audit services to other entities	455
TOTAL	4,147

John J. Attard
COMPLIANCE PARTNER



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BDO is the brand name for the BDO network and for each of the BDO Member Firms.

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