



16 February 2023

Australian Securities and Investments Commission  
Mr Nathan Bourne  
Senior Executive Leader, Market Infrastructure  
Level 5, 100 Market Street  
SYDNEY NSW 2000

ASX Market Announcements Office  
ASX Limited  
20 Bridge Street  
SYDNEY NSW 2000

### ASX LIMITED – RESULTS FOR ANNOUNCEMENT TO THE MARKET

In accordance with the Listing Rules, ASX encloses for release the following information:

1. Appendix 4D
2. 2023 Half-Year Financial Statements.

ASX will hold a briefing on the results from 10:00am (Sydney time) today. This briefing will be broadcast live by [webcast](#) and will be archived on the [ASX website](#) after the event.

Release of market announcement authorised by:  
**Johanna O'Rourke**  
Group General Counsel and Company Secretary

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ASX Limited and its  
controlled entities

## Appendix 4D

### PRELIMINARY FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2022 AS REQUIRED BY ASX LISTING RULE 4.2A

Results for announcement to the market (All comparisons to half-year ended 31 December 2021)	\$m	Up/down	Movement %
Revenue from ordinary activities <sup>1</sup>	661.9	up	25.4%
Revenue from ordinary activities excluding interest income	501.3	down	0.4%
Net profit before tax (including significant items <sup>2</sup> )	106.3	down	70.6%
Profit after tax from ordinary activities (including significant items <sup>2</sup> )	73.7	down	70.6%
Underlying profit after tax (excluding significant items <sup>2</sup> )	250.0	down	0.1%

<sup>1</sup> Revenue from ordinary activities for the current period includes a share of net loss of \$7.0 million (pcp -\$6.2 million loss), from equity accounted investments relating to a 44.7% investment in Yieldbroker Pty Limited and a 49.4% investment in Sympli Australia Pty Limited.

<sup>2</sup> Significant items for the half-year ended 31 December 2022 comprise a loss of \$251.9 million pre-tax (\$176.3 million after tax) arising from derecognition of the CHESS replacement project and associated costs. Refer to note 3 to the consolidated financial statements for further details.

Dividend information	Amount per share (cents)	Franked amount per share (cents)	Tax rate for franking credit
Final 2022 dividend per share (paid 28 September 2022)	120.0	120.0	30%
Interim 2023 dividend per share determined	116.2	116.2	30%

  

Interim dividend dates <sup>1</sup>	
Ex-dividend date	9 March 2023
Record date	10 March 2023
Payment date	29 March 2023

<sup>1</sup> Dates are subject to final ASX Board approval.

The Company's Dividend Reinvestment Plan (DRP) will not apply to the interim dividend.

	31 Dec 2022	31 Dec 2021
Net tangible assets per security	\$6.14	\$6.03

This information should be read in conjunction with the 2022 Annual Report.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half-year ended 31 December 2022.

This report is based on the consolidated financial statements for the half-year ended 31 December 2022 which have been reviewed by PricewaterhouseCoopers.

# ASX LIMITED

HALF-YEAR FINANCIAL STATEMENTS 2023



# Financial report

## Contents

<b>DIRECTORS' REPORT</b>	<b>3</b>
<b>AUDITOR'S INDEPENDENCE DECLARATION</b>	<b>8</b>
<b>CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME</b>	<b>9</b>
<b>CONSOLIDATED BALANCE SHEET</b>	<b>10</b>
<b>CONSOLIDATED STATEMENT OF CHANGES IN EQUITY</b>	<b>11</b>
<b>CONSOLIDATED STATEMENT OF CASH FLOWS</b>	<b>12</b>
<b>NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS</b>	
1. Segment reporting	14
2. Revenue from contracts with customers	17
3. Losses on derecognition of CHESS replacement project costs	17
4. Taxation	17
5. Dividends	18
6. Intangibles and Property, Plant and Equipment	18
7. Amounts owing to participants	19
8. Fair value measurements of financial instruments	19
9. Borrowings	20
10. Contingent liabilities	20
11. New and amended standards and interpretations	20
12. Subsequent events	20
<b>DIRECTORS' DECLARATION</b>	<b>21</b>
<b>INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF ASX LIMITED</b>	<b>22</b>

# Directors' report

The directors present their report together with the consolidated financial statements of ASX Limited (ASX or the Company) and its subsidiaries (together referred to as the Group), for the half-year ended 31 December 2022 and the auditor's report thereon. The consolidated financial statements have been reviewed and approved by the directors on the recommendation of the ASX Audit and Risk Committee.

## DIRECTORS

The directors of ASX in office during the half-year and up to the date of this report (unless otherwise stated) were as follows:

- Damian Roche (Chair)
- Helen Lofthouse (appointed as Managing Director and CEO, 1 August 2022)
- Dominic Stevens (retired as Managing Director and CEO, 31 July 2022)
- Yasmin Allen
- Vicki Carter (appointed 2 February 2023)
- Melinda Conrad
- David Curran
- Ken Henry AC (retired 28 September 2022)
- Peter Marriott
- Peter Nash
- Heather Ridout AO (retired 15 February 2023)
- Heather Smith PSM
- Rob Woods

On 2 February 2023, ASX announced the appointment of Ms Vicki Carter and Mr Luke Randell as non-executive Directors. Ms Carter's appointment was effective from 2 February 2023 and Mr Randell's will be effective from 3 April 2023. Ms Carter and Mr Randell will stand for election at ASX's Annual General Meeting on 19 October 2023. The appointments of Ms Vicki Carter and Mr Luke Randell continues the ASX Board renewal process that commenced with the appointments of Mr David Curran and Dr Heather Smith PSM in March and June 2022 respectively.

With these appointments, Mrs Heather Ridout AO retired on 15 February 2023 and Mr Peter Marriott will retire at the conclusion of the board meeting in April 2023.

## Summary Income Statement for the half-year ended 31 December 2022

Based on Group segment reporting note

	1H23 \$m	1H22 \$m	Variance fav/(unfav)	
			\$m	%
Operating revenue	499.5	501.4	(1.9)	(0.4)
Operating expenses	(156.5)	(138.1)	(18.4)	(13.4)
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b>343.0</b>	<b>363.3</b>	<b>(20.3)</b>	<b>(5.6)</b>
Depreciation and amortisation	(17.4)	(24.9)	7.5	30.0
<b>Total expenses <sup>1</sup></b>	<b>(173.9)</b>	<b>(163.0)</b>	<b>(10.9)</b>	<b>(6.8)</b>
<b>Earnings before interest and tax (EBIT)</b>	<b>325.6</b>	<b>338.4</b>	<b>(12.8)</b>	<b>(3.8)</b>
Net interest income	32.6	21.7	10.9	50.4
<b>Profit before tax</b>	<b>358.2</b>	<b>360.1</b>	<b>(1.9)</b>	<b>(0.5)</b>
Tax expense	(108.2)	(109.8)	1.6	1.5
<b>Underlying profit after tax</b>	<b>250.0</b>	<b>250.3</b>	<b>(0.3)</b>	<b>(0.1)</b>
<b>Significant items after tax <sup>2</sup></b>	<b>(176.3)</b>	<b>—</b>	<b>(176.3)</b>	<b>—</b>
<b>Profit after tax</b>	<b>73.7</b>	<b>250.3</b>	<b>(176.6)</b>	<b>(70.6)</b>

<sup>1</sup> Summation of operating expenses and depreciation and amortisation.

<sup>2</sup> Significant items relate to the derecognition of the CHES replacement project. Refer to note 3 for details.

## BUSINESS MODEL AND OPERATING ENVIRONMENT

ASX operates a significant part of the infrastructure that supports Australia's financial markets. ASX is a multi-asset class and integrated exchange group. The Group operates markets for cash equities and derivatives, providing a full service offering across listings, trading, clearing, settlement, registry, and information and technical services.

The business is conducted through a number of regulated and unregulated legal entities. ASX holds market operator licences and clearing and settlement licences to undertake its activities. ASX is subject to oversight by the Australian Securities and Investments Commission (ASIC) and the Reserve Bank of Australia (RBA).

ASX's activities and revenues are grouped into four key businesses: Listings, Markets, Technology and Data, and Securities and Payments. These are each discussed separately later in this report.

## RESULTS OF OPERATIONS

The Group's net profit after tax (NPAT) for 1H23 was \$73.7 million, down 70.6% on the previous corresponding period (pcp). While the underlying result for the period was consistent with pcp, the NPAT decline was driven by the CHES replacement project derecognition charge of \$251.9 million pre-tax (\$176.3 million after tax) following ASX's decision during the period to reassess all aspects of the project. The derecognition charge is non-cash and classified as a significant item under ASX's segment reporting framework. Statutory earnings per share (EPS) was 38.1 cents, down 70.6% on pcp.

The Group's underlying NPAT for 1H23, which excludes significant items, was \$250.0 million, down 0.1% on pcp. ASX's business model has remained resilient against an uncertain global macro-environment during the period. Operating revenue for the period was \$499.5 million, down 0.4% on pcp, with increased revenue from Technology & Data and Listings being offset by declines in the Securities & Payments and Markets business lines. Total expenses were \$173.9 million in the period, up 6.8%, mainly reflecting increased staff and administration costs as more resources were added to our technology, customer and risk management activities along with inflationary cost increases. Net interest income for the period was \$32.6 million, up 50.4%, representing the elevated interest rate environment relative to the pcp. Underlying EPS was 129.1 cents, down 0.2% on pcp.

A summary income statement in line with the Group's segment note is reflected in the table below.

# Directors' report continued

## DIVIDENDS

The Board has maintained its dividend policy to pay out 90% of underlying profit after tax and determined an interim dividend of 116.2 cents per share, down 0.2% on pcp. Refer to note 5 to the consolidated financial statements for details.

## OPERATING REVENUE

Operating revenue for the half-year ended 31 December 2022 was \$499.5 million, down 0.4% on pcp as shown below.

	1H23 \$m	1H22 \$m	Variance fav/(unfav)	
			\$m	%
Listings	109.7	104.1	5.6	5.4
Markets	138.8	141.9	(3.1)	(2.2)
Technology and Data	117.5	108.6	8.9	8.3
Securities and Payments	133.5	146.8	(13.3)	(9.1)
<b>Total operating revenue</b>	<b>499.5</b>	<b>501.4</b>	<b>(1.9)</b>	<b>(0.4)</b>

### Listings revenue was \$109.7 million, up 5.4%

#### Annual listing revenue was \$53.9 million, up 1.4%

The growth in the market capitalisation of listed companies resulted in higher revenue.

#### Initial listing revenue was \$11.8 million, up 6.5%

There were 40 new listings compared to 150 in the pcp and capital raised of \$2.0 billion was significantly below the \$29.7 billion raised in the pcp, down 93.3%. Revenue is amortised over five years and the pattern of historical IPO activity resulted in an overall revenue increase of 6.5% on the pcp.

#### Subsequent raisings revenue was \$39.5 million, up 12.6%

Subdued capital raisings resulted in a decrease of 50.2% to \$30.2 billion, compared to \$60.6 billion in the pcp. Revenue is amortised over three years and the pattern of subsequent raising activity resulted in an overall increase of 12.6% on the pcp.

#### Investment products and other listings revenue was \$4.5 million, down 6.1%

Investment product revenues were down 5.8% or \$0.1 million, as funds under management balances in exchange traded products decreased period on period.

### Markets revenue was \$138.8 million, down 2.2%

#### Futures and OTC revenue was \$98.1 million, down 2.7%

Subdued activity led to a 1.6% decline in futures volumes resulting in a decline in revenue. Declines in 3 and 10 year bond contracts were partially offset by significant growth in the 30 and 90 day bank bill contracts, up 593.5% and 35.6% respectively.

#### Equity options revenue was \$8.3 million, up 18.9%

Global market volatility drove index options volume up 29.8% on the pcp, with a decline in retail activity resulting in lower single stock options, down 1.9% on the pcp.

#### Cash market trading revenue was \$32.4 million, down 4.9%

Average on-market traded value of \$5.7 billion per day, was down 7.6% on the pcp resulting in lower revenue. This was partially offset by Auctions and Centre Point value which were up 2.9% on the pcp, both of which have higher associated revenues.

### Technology and Data revenue was \$117.5 million, up 8.3%

#### Information services revenue was \$70.4 million, up 10.7%

An increase in equities and futures market data distribution and increased index royalties contributed to higher revenue.

#### Technical services revenue was \$47.1 million, up 4.8%

Growth in customer infrastructure and connections at ASX's data centre (Australian Liquidity Centre) resulted in higher revenues with the number of customer cabinets up from 369 to 388 and the number of ALC cross-connections up from 1,203 to 1,314.

### Securities and Payments revenue was \$133.5 million, down 9.1%

#### Issuer services revenue was \$32.7 million, down 22.8%

A new subscription-based pricing model came into effect on 1 July 2022 based on the Holder Identification Number ("HIN") for each issuer. HINs were up 3.1% on the pcp. CHESS holding statements were down 28.4% on the pcp, with the primary market facilitation service also down 39.3% on the pcp, both impacted by lower listings and weaker capital raisings.

#### Equity post-trade services was \$69.5 million, down 10.2%

Equity post-trade services comprises of cash market clearing and cash market settlement revenue. The daily average on-market value cleared decreased 7.5% to \$6.0 billion reflecting decreased trading across all venues in Australia. Total settlement messages decreased 13.9% driven by messages related to the movement and conversion of securities, down 23.0% on the pcp. No revenue share provisions have been raised.

#### Austraclear revenue was \$31.3 million, up 15.8%

Growth in registry issuances and increased market activity supported by rising cash rates resulted in higher Austraclear revenue. The increase in Collateral balances compared to the pcp was partially offset by an increase in the losses associated with ASX's investment in Sympli.

# Directors' report continued

	1H23 \$m	1H22 \$m	Variance fav/(unfav)	
			\$m	%
Staff	96.5	85.7	(10.8)	(12.5)
Occupancy	4.9	4.5	(0.4)	(9.0)
Equipment	26.0	23.6	(2.4)	(10.1)
Administration	19.8	13.0	(6.8)	(52.9)
Variable	6.3	8.0	1.7	20.4
ASIC supervision levy	3.0	3.3	0.3	8.5
<b>Operating expenses</b>	<b>156.5</b>	<b>138.1</b>	<b>(18.4)</b>	<b>(13.4)</b>
Depreciation and amortisation	17.4	24.9	7.5	30.0
<b>Total expenses</b>	<b>173.9</b>	<b>163.0</b>	<b>(10.9)</b>	<b>(6.8)</b>

## TOTAL EXPENSES

**Total expenses were \$173.9 million, up 6.8% on pcp due to:**

- Staff costs increased 12.5% to \$96.5 million. This reflects annual remuneration increases, increased headcount and higher contractor costs to support project initiatives. The average full-time equivalent (FTE) headcount increased to 809 compared to 749 in the pcp.
- Occupancy costs increased 9.0% to \$4.9 million, due to higher energy costs associated with ASX's renewable energy commitment.
- Equipment costs increased 10.1% to \$26.0 million, due to annual contract increases and new licensing costs to support key initiatives and projects.
- Administration costs increased 52.9% to \$19.8 million, as a result of higher consulting fees, travel related costs and increases in insurance costs.
- Variable costs decreased 20.4% to \$6.3 million, in line with lower CHES statement volumes.
- ASIC supervision levy decreased 8.5% to \$3.0 million, reflecting ASIC guidance.
- Depreciation and amortisation was \$17.4 million, down 30% on pcp due to a number of assets reaching end of useful life.

## NET INTEREST INCOME

Net interest income consists of interest earned on ASX's cash balances and interest earned from the investment of collateral balances lodged by participants, less interest paid on borrowings and paid to participants. Net interest income was \$32.6 million, up 50.4% on pcp.

Net interest on ASX's cash balances and financing costs from borrowings and leases for the period was \$12.2 million up \$14.5 million compared to pcp, mainly driven by higher investment returns following the increase in RBA target cash rates during the period.

Net interest earned from the investment of participant balances was \$20.4 million, down 14.9% on pcp. Investment earnings remained in line with pcp at 10 bps. However average participant balances excluding excess contributions, decreased by 10% compared to pcp, which was further exacerbated by a decrease in the average interest charged to participants on initial margins.

## SIGNIFICANT ITEMS

### *Derecognition of CHES replacement project*

On 17 November 2022, the Group announced the findings of an independent review on the CHES replacement project conducted by Accenture. The independent report identified significant challenges with the solution design and its ability to meet ASX's requirements.

As a result of the report findings, coupled with ASX's own assessment, the implementation activities on the project were paused while ASX revisits the solution design. Given the reassessment being undertaken and the uncertainty of future economic benefits from the CHES replacement solution that was developed, all of the CHES replacement capitalised costs have been derecognised in 1H23. The non-cash derecognition and associated project wind-down cost was \$251.9 million pre-tax (\$176.3 million after tax).

# Directors' report continued

## FINANCIAL POSITION

At 31 December 2022, total equity was \$3,631.3 million, down 4.6% compared to 30 June 2022. The summary balance sheet is shown below.

	31 Dec 2022	30 Jun 2022	Variance increase/(decrease)	
	\$m	\$m	\$m	%
<b>Assets</b>				
Cash	5,952.9	4,972.2	980.7	19.7
Financial assets <sup>1</sup>	6,072.3	9,484.8	(3,412.5)	(36.0)
Intangibles (excluding software)	2,325.5	2,325.5	—	—
Capitalised software and property, plant and equipment	158.7	363.5	(204.8)	(56.3)
Investments	90.3	97.6	(7.3)	(7.5)
Right-of-use assets	52.8	58.3	(5.5)	(9.4)
Other assets	831.9	935.6	(103.7)	(11.1)
<b>Total assets</b>	<b>15,484.4</b>	<b>18,237.5</b>	<b>(2,753.1)</b>	<b>(15.1)</b>
<b>Liabilities</b>				
Amounts owing to participants	10,801.0	13,276.7	(2,475.7)	(18.6)
Lease liabilities	62.3	67.6	(5.3)	(7.8)
Other liabilities	989.8	1,087.8	(98.0)	(9.0)
<b>Total liabilities</b>	<b>11,853.1</b>	<b>14,432.1</b>	<b>(2,579.0)</b>	<b>(17.9)</b>
<b>Equity</b>				
Capital	3,027.2	3,027.2	—	—
Retained earnings	539.2	697.8	(158.6)	(22.7)
Reserves	64.9	80.4	(15.5)	(19.3)
<b>Total equity</b>	<b>3,631.3</b>	<b>3,805.4</b>	<b>(174.1)</b>	<b>(4.6)</b>

<sup>1</sup> Includes financial assets at amortised cost and financial assets at fair value through profit or loss

## CASH AND FINANCIAL ASSETS

Cash and financial assets were \$12.0 billion, down 16.8% compared to 30 June 2022. Cash and financial assets mainly comprises own ASX cash, and margins lodged by participants. The decrease in cash and financial assets is mainly driven by the decrease in margins lodged as noted under amounts owing to participants below.

## CAPITALISED SOFTWARE AND PPE

Capitalised software and PPE was \$158.7 million, down 56.3% compared to 30 June 2022. The decrease was primarily driven by the derecognition of capitalised costs relating to the CHES replacement project. This was offset by capital expenditure for the half-year of \$56.6 million, which was up 4.8% on pcp, reflecting higher resource and equipment costs. Capital expenditure includes costs incurred on various initiatives to strengthen the resiliency of ASX services, and costs on the CHES replacement project prior to its derecognition. Capital expenditure is measured on an accruals basis and excludes capitalised leases.

## INVESTMENTS

Investments were \$90.3 million, down 7.5% compared to 30 June 2022. Investments comprise a 44.7% interest in Yieldbroker Pty Ltd, 49.4% interest in Symply Australia Pty Limited, 5.4% in Digital Asset Holdings LLC (DAH) and 10% investment in Grow Inc Pty Ltd. The decrease in investments was mainly due to a decrease in the fair value of DAH.

## OTHER ASSETS

Other assets were \$831.9 million, down 11.1% compared to 30 June 2022. The decrease primarily relates to a decrease in margin requirements as a result of movements in underlying positions of relevant clearing participants on the last trading day of the reporting period. This corresponds to the decrease in other liabilities.

## AMOUNTS OWING TO PARTICIPANTS

Amounts owing to participants was \$10.8 billion, down 18.6% compared to 30 June 2022. Average balances during the period were 10% down on pcp. The decrease was due to a decrease in the open positions held in interest rate and equity index futures. This decrease in participant balances was the primary driver of the decrease in cash and financial assets.

## TOTAL EQUITY

Total equity was \$3,631.3 million, down 4.6% compared to 30 June 2022. This was primarily due to payment of the final dividend for the year ended 30 June 2022 of \$232.3 million, which was partially offset by the \$73.7 million net profit for the period, which was impacted by the losses on derecognition of the CHES replacement project.



# Directors' report continued

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8.

## ROUNDING OF AMOUNTS

ASX is a company of the kind referred to in ASIC Legislative Instrument 2016/191. In accordance with that instrument, amounts in the consolidated financial statements and the Directors' Report have been rounded to the nearest hundred thousand dollars unless otherwise indicated.

Signed in accordance with a resolution of the directors:



**DAMIAN ROCHE**  
*Chair*



**HELEN LOFTHOUSE**  
*Managing Director and CEO*

Sydney, 16 February 2023

# Auditor's independence declaration



## Auditor's Independence Declaration

As lead auditor for the review of ASX Limited for the half-year ended 31 December 2022, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of ASX Limited and the entities it controlled during the period.

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

Voula Papageorgiou  
Partner  
PricewaterhouseCoopers

Sydney  
16 February 2023

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# Consolidated statement of comprehensive income

FOR THE HALF-YEAR ENDED

	Note	31 Dec 2022 \$m	31 Dec 2021 \$m
<b>Revenue</b>			
Listings	2	110.3	104.8
Markets	2	139.1	142.6
Technology and Data	2	118.5	109.6
Securities and Payments	2	140.4	152.4
Interest income		160.6	24.6
Share of net loss of equity accounted investments		(7.0)	(6.2)
		<b>661.9</b>	<b>527.8</b>
<b>Expenses</b>			
Staff		(96.5)	(85.7)
Occupancy		(4.9)	(4.5)
Equipment		(26.9)	(25.0)
Administration		(32.4)	(23.7)
Finance costs		(128.0)	(2.9)
Depreciation and amortisation		(18.5)	(25.9)
Derecognition of CHES replacement project capitalised costs	3	(248.4)	–
		<b>(555.6)</b>	<b>(167.7)</b>
<b>Profit before income tax expense</b>		<b>106.3</b>	<b>360.1</b>
Income tax expense	4	(32.6)	(109.8)
<b>Net profit for the period attributable to owners of the Company</b>		<b>73.7</b>	<b>250.3</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified to profit or loss</b>			
Change in the fair value of cash flow hedges		–	0.1
<b>Items that cannot be reclassified to profit or loss</b>			
Change in the fair value of investments in equity instruments, net of tax		(12.3)	0.8
<b>Other comprehensive (loss)/income for the period, net of tax</b>		<b>(12.3)</b>	<b>0.9</b>
<b>Total comprehensive income for the period attributable to owners of the Company</b>		<b>61.4</b>	<b>251.2</b>
<b>Earnings per share</b>			
Basic earnings per share (cents per share)		38.1	129.3
Diluted earnings per share (cents per share)		38.1	129.3

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

# Consolidated balance sheet

AS AT

	Note	31 Dec 2022 \$m	30 Jun 2022 \$m
<b>Current assets</b>			
Cash		5,952.9	4,972.2
Financial assets at amortised cost		5,683.4	8,959.2
Financial assets at fair value through profit or loss	8	388.9	525.6
Trade and other receivables		683.2	857.1
Current tax assets		39.4	—
Prepayments		21.7	17.8
<b>Total current assets</b>		<b>12,769.5</b>	<b>15,331.9</b>
<b>Non-current assets</b>			
Investments in equity instruments	8	38.8	47.1
Equity accounted investments		51.5	50.5
Intangible assets	6	2,443.1	2,637.3
Net deferred tax assets	4	85.0	55.1
Property, plant and equipment	6	41.1	51.7
Right-of-use assets		52.8	58.3
Prepayments		2.6	5.6
<b>Total non-current assets</b>		<b>2,714.9</b>	<b>2,905.6</b>
<b>Total assets</b>		<b>15,484.4</b>	<b>18,237.5</b>
<b>Current liabilities</b>			
Amounts owing to participants	7	10,601.0	13,076.7
Trade and other payables		645.9	810.5
Current tax liabilities		—	31.8
Provisions		22.6	21.3
Lease liabilities		10.8	10.6
Borrowings	9	50.0	—
Revenue received in advance	2	175.8	119.0
<b>Total current liabilities</b>		<b>11,506.1</b>	<b>14,069.9</b>
<b>Non-current liabilities</b>			
Amounts owing to participants	7	200.0	200.0
Provisions		5.8	5.4
Lease liabilities		51.5	57.0
Revenue received in advance	2	89.7	99.8
<b>Total non-current liabilities</b>		<b>347.0</b>	<b>362.2</b>
<b>Total liabilities</b>		<b>11,853.1</b>	<b>14,432.1</b>
<b>Net assets</b>		<b>3,631.3</b>	<b>3,805.4</b>
<b>Equity</b>			
Issued capital		3,027.2	3,027.2
Retained earnings		539.2	697.8
Reserves		64.9	80.4
<b>Total equity</b>		<b>3,631.3</b>	<b>3,805.4</b>

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

# Consolidated statement of changes in equity

FOR THE HALF-YEAR ENDED

	Note	Issued capital \$m	Retained earnings \$m	Reserves \$m	Total equity \$m
Opening balance at 1 July 2022		3,027.2	697.8	80.4	3,805.4
Net profit for the period		—	73.7	—	73.7
Other comprehensive loss for the period, net of tax		—	—	(12.3)	(12.3)
<b>Total comprehensive income for the period, net of tax</b>		<b>—</b>	<b>73.7</b>	<b>(12.3)</b>	<b>61.4</b>
<b>Transactions with owners in their capacity as owners:</b>					
Share-based payments <sup>1</sup>		—	—	(3.2)	(3.2)
Dividends paid	5	—	(232.3)	—	(232.3)
<b>Closing balance at 31 December 2022</b>		<b>3,027.2</b>	<b>539.2</b>	<b>64.9</b>	<b>3,631.3</b>
<b>Opening balance at 1 July 2021</b>					
Opening balance at 1 July 2021		3,027.2	629.9	79.2	3,736.3
Net profit for the period		—	250.3	—	250.3
Other comprehensive income for the period, net of tax		—	—	0.9	0.9
<b>Total comprehensive income for the period, net of tax</b>		<b>—</b>	<b>250.3</b>	<b>0.9</b>	<b>251.2</b>
<b>Transactions with owners in their capacity as owners:</b>					
Share-based payments <sup>1</sup>		—	—	(0.5)	(0.5)
Dividends paid	5	—	(215.3)	—	(215.3)
<b>Closing balance at 31 December 2021</b>		<b>3,027.2</b>	<b>664.9</b>	<b>79.6</b>	<b>3,771.7</b>

<sup>1</sup> Movement reflects current period share-based payment expenses net of cost of deferred shares acquired during the period which have a holding lock of between two and four years.

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# Consolidated statement of cash flows

FOR THE HALF-YEAR ENDED

	Note	31 Dec 2022 \$m	31 Dec 2021 \$m
<b>Cash flows from operating activities</b>			
Receipts from customers		612.7	653.8
Payments to suppliers and employees		(216.7)	(200.8)
		<b>396.0</b>	<b>453.0</b>
Decrease in participants' margins and commitments <sup>1</sup>		(2,357.2)	(620.7)
Decrease in financial assets at amortised cost		3,291.0	469.8
Interest received		130.0	23.4
Interest paid		(101.4)	(2.7)
Income taxes paid		(137.7)	(109.8)
<b>Net cash inflow from operating activities</b>		<b>1,220.7</b>	<b>213.0</b>
<b>Cash flows from investing activities</b>			
Payments for equity accounted investments		(8.0)	(10.0)
Payments for other non-current assets		(62.5)	(56.1)
<b>Net cash outflow from investing activities</b>		<b>(70.5)</b>	<b>(66.1)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(232.3)	(215.3)
Proceeds from borrowings	9	226.5	20.0
Repayment of borrowings	9	(176.5)	(20.0)
Principal payments for lease liabilities		(5.3)	(5.2)
<b>Net cash outflow from financing activities</b>		<b>(187.6)</b>	<b>(220.5)</b>
<b>Net increase/(decrease) in cash</b>		<b>962.6</b>	<b>(73.6)</b>
Increase in the fair value of cash		—	0.1
Increase in cash due to changes in foreign exchange rates		18.1	4.1
Cash at the beginning of the period		4,972.2	5,357.8
<b>Cash at the end of the period</b>		<b>5,952.9</b>	<b>5,288.4</b>

<sup>1</sup> Commitments are cash-backed and included under 'Amounts owing to participants' in non-current liabilities.

# Consolidated statement of cash flows continued

FOR THE HALF-YEAR ENDED

## Reconciliation of net profit for the period to the net cash flows from operating activities

	31 Dec 2022 \$m	31 Dec 2021 \$m
Net profit for the period	73.7	250.3
<b>Non-cash items</b>		
Depreciation and amortisation	18.5	25.9
Share-based payments	(3.2)	(0.5)
Loss on derecognition of CHES replacement project costs	251.9	-
Share of net loss of equity accounted investments	7.0	6.2
Foreign currency revaluation	(18.1)	(4.1)
<b>Changes in operating assets and liabilities</b>		
Decrease in financial assets at amortised cost <sup>1</sup>	3,275.8	468.5
Decrease/(increase) in financial assets at fair value through profit or loss (FVTPL) <sup>2</sup>	136.7	(239.9)
(Decrease) in amounts owing to participants <sup>2</sup>	(2,475.7)	(376.7)
(Decrease) in tax balances	(105.2)	-
Decrease/(increase) in current receivables <sup>3</sup>	2.3	(0.7)
(Increase) in prepayments	(4.3)	(4.5)
Increase/(decrease) in trade and other payables <sup>3</sup>	12.9	(8.6)
Increase in revenue received in advance	46.7	95.7
Increase in provisions	1.7	1.4
<b>Net cash inflow from operating activities</b>	<b>1,220.7</b>	<b>213.0</b>

<sup>1</sup> Reconciliation of this line item to the consolidated statement of cash flows on page 12 includes interest from discount securities reflected within net profit after tax.

<sup>2</sup> Reconciliation of these line item to the consolidated statement of cash flows on page 12 includes foreign currency revaluation on amounts owing to participants reflected within the non-cash items above. The line item reflects the net effect of changes in FVTPL and changes in amounts owing to participants.

<sup>3</sup> Changes in assets and liabilities from investing and financing activities such as margins receivable/payable, certain accruals, make good provisions and securities pledged under repurchase agreements are excluded.

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

# Notes to the consolidated financial statements

ASX Limited (ASX or the Company) is a company limited by shares, incorporated and domiciled in Australia and is a for-profit entity for the purposes of preparing the financial statements.

The financial statements for the consolidated entity, which consists of ASX and its subsidiaries (together referred to as the Group) for the half-year ended 31 December 2022 were authorised for issue by the Board of Directors on 16 February 2023. The directors have the power to amend and reissue the financial statements.

The half-year financial statements are general purpose financial statements that:

- have been prepared in accordance with the requirements of the *Corporations Act 2001*, Accounting Standard AASB 134 *Interim Financial Reporting* and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB)
- include the assets and liabilities of all subsidiaries of the Company as at 31 December 2022 and the results of the subsidiaries for the half-year then ended. Inter-entity transactions with, or between, subsidiaries are eliminated in full on consolidation
- have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss and investments in equity instruments which have been measured at fair value through other comprehensive income
- are measured and presented in Australian dollars, which is ASX's functional and presentation currency, with all values rounded to the nearest hundred thousand dollars unless otherwise stated, in accordance with ASIC Legislative Instrument 2016/191.

The half-year financial statements do not include all of the information required for full-year financial statements. Accordingly, these financial statements should be read in conjunction with the consolidated financial statements for the year ended 30 June 2022 and any public announcements made by the Group during the half-year in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Unless otherwise stated, the Group's accounting policies have been consistently applied to all periods presented, and comparative period balances have not been restated.

## 1. SEGMENT REPORTING

### (a) Description of segment

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director and CEO.

The CODM assesses performance of the Group as a single segment, being an integrated organisation that provides a multi-asset class service and product offering under the following business units:

- Listings – responsible for the origination of listed primary and secondary equity, and investment products
- Markets – responsible for cash equities and equity derivatives trading, futures trading and clearing, and OTC clearing
- Technology and Data – responsible for technology, connectivity and data-related businesses including Technical and Information Services
- Securities and Payments – responsible for cash equities clearing and settlement, issuer services and post-trade investor services, Austraclear, ASX Collateral, payments and Financial Settlement Management. This business includes the CHESSE replacement project.

In addition to reviewing performance based on statutory profit after tax, the CODM assesses the performance of the Group based on underlying profit after tax. This measure excludes amounts regarded as significant items of revenue and expense such as those that may be associated with significant business restructuring or individual transactions of an infrequent nature. Significant items in the current financial period relate to the derecognition of the CHESSE replacement project. Refer to note 3 for details.

Group performance measures, including earnings before interest and tax (EBIT) and earnings before interest, tax, depreciation and amortisation (EBITDA), are also reviewed by the CODM. In assessing performance, expected credit loss (ECL) allowances and arrangements where revenue is shared with external parties are reclassified from expenses to operating revenue; certain expenses are reclassified within operating expenses; and interest income is presented net of interest expense.



# Notes to the consolidated financial statements continued

## (b) Segment results

The information provided on a regular basis to the CODM is presented with a reconciliation to statutory profit after tax for the period attributable to owners of the Company.

ASX derives all external customer revenue within Australia, however some services are accessible and some customers are located offshore.

No single customer generates revenue greater than 10% of the Group's total revenue.

For the half-year ended	31 Dec 2022			31 Dec 2021		
	Segment information \$m	Adjustments \$m	Consolidated income statement \$m	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
<b>Revenue</b>						
Annual listing	53.9	0.5	54.4	53.2	0.7	53.9
Initial listing	11.8	—	11.8	11.1	—	11.1
Subsequent raisings	39.5	—	39.5	35.1	—	35.1
Investment products and other listing	4.5	0.1	4.6	4.7	—	4.7
<b>Listings</b>	<b>109.7</b>	<b>0.6</b>	<b>110.3</b>	<b>104.1</b>	<b>0.7</b>	<b>104.8</b>
Equity options	8.3	—	8.3	7.0	—	7.0
Futures and OTC clearing <sup>1</sup>	98.1	0.3	98.4	100.8	0.7	101.5
Cash market trading	32.4	—	32.4	34.1	—	34.1
<b>Markets</b>	<b>138.8</b>	<b>0.3</b>	<b>139.1</b>	<b>141.9</b>	<b>0.7</b>	<b>142.6</b>
Information services	70.4	(0.1)	70.3	63.6	-	63.6
Technical services	47.1	1.1	48.2	45.0	1.0	46.0
<b>Technology and Data</b>	<b>117.5</b>	<b>1.0</b>	<b>118.5</b>	<b>108.6</b>	<b>1.0</b>	<b>109.6</b>
Issuer services	32.7	—	32.7	42.4	0.3	42.7
Cash market clearing	35.6	—	35.6	38.2	(0.2)	38.0
Cash market settlement	33.9	—	33.9	39.2	—	39.2
Austraclear <sup>1</sup>	31.3	6.9	38.2	27.0	5.5	32.5
<b>Securities and Payments</b>	<b>133.5</b>	<b>6.9</b>	<b>140.4</b>	<b>146.8</b>	<b>5.6</b>	<b>152.4</b>
<b>Operating revenue</b>	<b>499.5</b>			<b>501.4</b>		
Interest income <sup>2</sup>		160.6	160.6		24.6	24.6
Share of net loss of equity accounted investments <sup>1</sup>		(7.0)	(7.0)		(6.2)	(6.2)
<b>Total revenue</b>		<b>162.4</b>	<b>661.9</b>		<b>26.4</b>	<b>527.8</b>

<sup>1</sup> Segment information includes share of net losses of equity accounted investments. The share of net losses from Sympli of \$6.8 million (pcp - \$5.5 million) were attributed to Austraclear segments revenue. The share of net losses from Yieldbroker of \$0.2 million (pcp - \$0.7 million) were attributed to Futures and OTC Clearing segments revenue. Share of net losses from equity accounted investments are classified as a separate line item under the consolidated statement of comprehensive income.

<sup>2</sup> Segment information presents interest income net of finance costs, but is presented as gross under the consolidated statement of comprehensive income.

## Notes to the consolidated financial statements continued

For the half-year ended	31 Dec 2022			31 Dec 2021		
	Segment information \$m	Adjustments \$m	Consolidated income statement \$m	Segment information \$m	Adjustments \$m	Consolidated income statement \$m
<b>Expenses</b>						
Staff	(96.5)	—	(96.5)	(85.7)	—	(85.7)
Occupancy	(4.9)	—	(4.9)	(4.5)	—	(4.5)
Equipment <sup>1</sup>	(26.0)	(0.9)	(26.9)	(23.6)	(1.4)	(25.0)
Administration <sup>1</sup>	(19.8)	(12.6)	(32.4)	(13.0)	(10.7)	(23.7)
Variable <sup>1</sup>	(6.3)	6.3	—	(8.0)	8.0	—
ASIC levy <sup>1</sup>	(3.0)	3.0	—	(3.3)	3.3	—
<b>Operating expenses</b>	<b>(156.5)</b>			<b>(138.1)</b>		
<b>EBITDA</b>	<b>343.0</b>			<b>363.3</b>		
Finance costs <sup>2</sup>	—	(128.0)	(128.0)	—	(2.9)	(2.9)
Derecognition of CHESS replacement project capitalised costs	—	(248.4)	(248.4)	—	—	—
Depreciation and amortisation	(17.4)	(1.1)	(18.5)	(24.9)	(1.0)	(25.9)
<b>Total expenses</b>	<b>(17.4)</b>	<b>(381.7)</b>	<b>(555.6)</b>	<b>(24.9)</b>	<b>(4.7)</b>	<b>(167.7)</b>
<b>EBIT</b>	<b>325.6</b>			<b>338.4</b>		
<b>Net interest income</b>						
Net interest income/(expense)	12.2	(12.2)	—	(2.3)	2.3	—
Net interest on participant balances	20.4	(20.4)	—	24.0	(24.0)	—
<b>Net interest income<sup>2</sup></b>	<b>32.6</b>	<b>(32.6)</b>	<b>—</b>	<b>21.7</b>	<b>(21.7)</b>	<b>—</b>
<b>Underlying profit before tax</b>	<b>358.2</b>	<b>(251.9)</b>	<b>106.3</b>	<b>360.1</b>	<b>—</b>	<b>360.1</b>
Income tax expense	(108.2)	75.6	(32.6)	(109.8)	—	(109.8)
<b>Underlying profit after tax</b>	<b>250.0</b>	<b>(176.3)</b>	<b>73.7</b>	<b>250.3</b>	<b>—</b>	<b>250.3</b>
<b>Significant items after tax<sup>1,3</sup></b>	<b>(176.3)</b>	<b>176.3</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>
<b>Statutory profit after tax</b>	<b>73.7</b>	<b>—</b>	<b>73.7</b>	<b>250.3</b>	<b>—</b>	<b>250.3</b>

<sup>1</sup> Segment information excludes significant items related to ancillary costs arising from derecognition of the CHESS replacement project (Refer to note 3), and variable and ASIC levy expenses which are shown separately, all of which are included between administrative and equipment costs under the consolidated statement of comprehensive income.

<sup>2</sup> Segment information presents interest income net of finance costs, but is presented as gross under the consolidated statement of comprehensive income.

<sup>3</sup> Significant items relates to the loss on derecognition of the CHESS replacement project. Refer to note 3 for details.

# Notes to the consolidated financial statements continued

## 2. REVENUE FROM CONTRACTS WITH CUSTOMERS

### (a) Disaggregation of revenue

The Group derives its revenue from the transfer of services over time and at a point in time. The following table provides a breakdown of revenue by the timing of when performance obligations are satisfied and by major business unit.

For the half-year ended 31 Dec 2022	Services satisfied at a point in time \$m	Services satisfied over time \$m	Total \$m
Listings	2.5	107.8	110.3
Markets	138.8	0.3	139.1
Technology and Data	1.9	116.6	118.5
Securities and Payments	119.8	20.6	140.4
<b>Total revenue from contracts with customers</b>	<b>263.0</b>	<b>245.3</b>	<b>508.3</b>
<b>For the half-year ended 31 Dec 2021</b>			
Listings	2.5	102.3	104.8
Markets	142.3	0.3	142.6
Technology and Data	1.6	108.0	109.6
Securities and Payments	129.6	22.8	152.4
<b>Total revenue from contracts with customers</b>	<b>276.0</b>	<b>233.4</b>	<b>509.4</b>

As disclosed in note 1, the Group has one operating segment, the disaggregated revenue in this note differs from the reportable segment as the expected credit loss allowance and certain revenue share agreements with external parties are reclassified from expenses to operating revenue.

### (b) Revenue received in advance

The Group has recognised the following revenue received in advance related to contracts with customers at period end. The balances represent the aggregate transaction price allocated to contract liabilities for performance obligations that are partially unsatisfied at period end.

As at	31 Dec 2022 \$m	30 Jun 2022 \$m
<b>Current</b>		
Listings	147.9	93.5
Technology and Data	8.7	8.2
Securities and Payments	19.2	17.3
<b>Total current revenue received in advance</b>	<b>175.8</b>	<b>119.0</b>
<b>Non-current</b>		
Listings	89.7	99.8
<b>Total non-current revenue received in advance</b>	<b>89.7</b>	<b>99.8</b>
<b>Total revenue received in advance</b>	<b>265.5</b>	<b>218.8</b>

## 3. LOSSES ON DERECOGNITION OF CHESSE REPLACEMENT PROJECT COSTS

On 17 November 2022, the Group announced the findings of an independent review on the CHESSE replacement project conducted by Accenture. The independent report identified significant challenges with the solution design and its ability to meet ASX's requirements.

As a result of the report findings, coupled with ASX's own assessment, the implementation activities on the project were paused while ASX revisits the solution design. Given the reassessment being undertaken and the uncertainty of future economic benefits from the CHESSE replacement solution that was developed, all of the CHESSE replacement capitalised costs have been derecognised in 1H23. The non-cash derecognition and associated project wind-down cost was \$251.9 million pre-tax (\$176.3 million after tax). Total losses were as follows:

For the half-year ended 31 Dec 2022	Loss before tax \$m	Income tax benefit \$m	Net loss after tax \$m
CHESSE replacement project capitalised costs derecognised	(248.4)	74.6	(173.8)
Other ancillary costs	(3.5)	1.0	(2.5)
<b>Total Group significant items</b>	<b>(251.9)</b>	<b>75.6</b>	<b>(176.3)</b>

Capitalised costs comprise costs for software, hardware, and other project expenditure that was capitalised as part of the project.

Other ancillary costs comprise of project wind-down costs.

## 4. TAXATION

The components of income tax expense and movements in deferred tax balances are set out below.

For the half year ended	31 Dec 2022 \$m	31 Dec 2021 \$m
<b>(a) Income tax expense</b>		
Current tax expense	(66.4)	(130.6)
Deferred tax credit	33.8	20.8
<b>Total income tax expense</b>	<b>(32.6)</b>	<b>(109.8)</b>
<b>(b) Deferred tax</b>		
<b>Opening balance</b>		
Deferred tax assets	105.5	94.7
Deferred tax liabilities	(50.4)	(46.6)
<b>Net deferred tax assets at 1 July</b>	<b>55.1</b>	<b>48.1</b>
<b>Movement during the period</b>		
Charge to income statement	33.8	20.8
Charge to equity	(3.9)	(0.3)
	29.9	20.5
<b>Closing balance</b>		
Deferred tax assets	112.7	119.9
Deferred tax liabilities	(27.7)	(51.3)
<b>Net deferred tax assets</b>	<b>85.0</b>	<b>68.6</b>

At 31 December 2022, the Group had unused tax losses of \$27.9m relating to capital transactions that have not been recognised

# Notes to the consolidated financial statements continued

## 5. DIVIDENDS

The Board's policy is to pay a dividend based on 90% of underlying net profit after tax. This is reviewed each time the Board considers payment of a dividend. The policy is unchanged from the prior year.

The following table includes information relating to dividends recognised and paid by ASX during the half-years ended 31 December 2022 and 31 December 2021.

For the half-year ended 31 Dec 2022	Cents per share	Total amount \$m
Final dividend for the year ended 30 June 2022	120.0	232.3
<b>For the half-year ended 31 Dec 2021</b>		
Final dividend for the year ended 30 June 2021	111.2	215.3

The above dividends paid by the Company include amounts attached to certain shares held by the Group's Long-Term Incentive Plan Trust (LTIPT). The dividend revenue recognised by LTIPT is eliminated on consolidation.

Since the end of the half-year, the directors have determined a FY23 interim dividend of 116.2 cents per share totalling \$225.0 million (FY22 interim dividend of 116.4 cents per share totalling \$225.3 million). This will be paid on 29 March 2023. The dividend will be fully franked based on tax paid at 30%.

The interim dividend has not been recognised in the financial statements for the half-year ended 31 December 2022, and will be recognised in the following reporting period.

## 6. INTANGIBLES AND PROPERTY, PLANT AND EQUIPMENT

The movement in intangible assets and property, plant and equipment balances are as follows:

For the half-year ended	31 Dec 2022		31 Dec 2021	
	Intangible assets \$m	Property, plant and equipment \$m	Intangible assets \$m	Property, plant and equipment \$m
<b>Opening balance</b>				
Cost	2,963.5	192.3	2,866.4	185.2
Accumulated depreciation/ amortisation	(326.2)	(140.6)	(299.9)	(127.0)
<b>Net book value at 1 July</b>	<b>2,637.3</b>	<b>51.7</b>	<b>2,566.5</b>	<b>58.2</b>
<b>Movement</b>				
Additions	49.9	6.7	50.0	4.0
Depreciation/ amortisation expense	(7.4)	(5.6)	(11.6)	(8.4)
Derecognition of CHES replacement project costs	(236.7)	(11.7)	–	–
<b>Net book value at 31 December</b>	<b>2,443.1</b>	<b>41.1</b>	<b>2,604.9</b>	<b>53.8</b>
<b>Closing balance</b>				
Cost	2,776.7	187.3	2,916.4	189.2
Accumulated depreciation/ amortisation	(333.6)	(146.2)	(311.5)	(135.4)
<b>Net book value at 31 December<sup>1</sup></b>	<b>2,443.1</b>	<b>41.1</b>	<b>2,604.9</b>	<b>53.8</b>

<sup>1</sup> The carrying value of intangible assets and property, plant and equipment under development is \$76.5 million (30 June 2022: \$282.0 million).

# Notes to the consolidated financial statements continued

## 7. AMOUNTS OWING TO PARTICIPANTS

The Group undertakes central counterparty clearing and collects margins and other balances (commitments) from clearing participants as security for clearing risk undertaken.

Participants' margins and commitments lodged and recognised on balance sheet at period end comprised:

As at	31 Dec 2022		
	ASX Clear \$m	ASX Clear (Futures) \$m	Total \$m
<b>Current</b>			
Cash	941.9	9,270.2	10,212.1
Non-cash collateral <sup>1</sup>	—	388.9	388.9
<b>Total current amounts owing to participants</b>	<b>941.9</b>	<b>9,659.1</b>	<b>10,601.0</b>
<b>Non-current</b>			
Cash commitments	—	200.0	200.0
<b>Total non-current amounts owing to participants</b>	<b>—</b>	<b>200.0</b>	<b>200.0</b>
<b>Total amounts owing to participants</b>	<b>941.9</b>	<b>9,859.1</b>	<b>10,801.0</b>
Equity securities <sup>2</sup>	3,213.5	—	3,213.5

As at	30 Jun 2022		
	ASX Clear \$m	ASX Clear (Futures) \$m	Total \$m
<b>Current</b>			
Cash	1,257.7	11,293.4	12,551.1
Non-cash collateral <sup>1</sup>	—	525.6	525.6
<b>Total current amounts owing to participants</b>	<b>1,257.7</b>	<b>11,819.0</b>	<b>13,076.7</b>
<b>Non-current</b>			
Cash commitments	—	200.0	200.0
<b>Total non-current amounts owing to participants</b>	<b>—</b>	<b>200.0</b>	<b>200.0</b>
<b>Total amounts owing to participants</b>	<b>1,257.7</b>	<b>12,019.0</b>	<b>13,276.7</b>
Equity securities <sup>2</sup>	3,056.6	—	3,056.6

<sup>1</sup> Consists of debt securities.

<sup>2</sup> Equity securities are not recognised on the balance sheet.

Current amounts owing to participants represent collateral lodged to cover margin requirements on unsettled derivative contracts and cash market trades. Non-current amounts owing to participants represent cash balances lodged by participants as commitments to clearing guarantee funds, which at reporting date had no determined repayment date.

## 8. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

### (a) Fair value hierarchy and valuation techniques

The following table presents the Group's financial assets measured and recognised at fair value at report date. The Group does not have any financial liabilities measured at fair value.

As at	31 Dec 2022			
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Investments in equity instruments	—	—	38.8	38.8
Financial assets at FVTPL	199.6	189.3	—	388.9
<b>Total financial assets</b>	<b>199.6</b>	<b>189.3</b>	<b>38.8</b>	<b>427.7</b>

As at	30 Jun 2022			
	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Investments in equity instruments	—	—	47.1	47.1
Financial assets at FVTPL	463.8	61.8	—	525.6
<b>Total financial assets</b>	<b>463.8</b>	<b>61.8</b>	<b>47.1</b>	<b>572.7</b>

There were no transfers between levels for recurring measurements during the half-year. The Group did not measure any financial assets at fair value on a non-recurring basis as at 31 December 2022 and 31 December 2021.

The classification of financial instruments within the fair value hierarchy and the valuation techniques used to determine their values are detailed below.

#### Level 1

Level 1 inputs are unadjusted quoted prices in active markets at the measurement date for identical assets and liabilities. Financial instruments included in this category consist of Australian Government bonds. The fair value of Australian Government bonds are determined by reference to readily observable quoted prices for identical assets in active markets.

#### Level 2

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices). Financial instruments included in this category include Semi Government bonds as their fair values were determined using observable market prices for identical assets that were not actively traded.

#### Level 3

Level 3 inputs are based on unobservable market data. The fair value of the Group's unlisted equity investments is determined using unobservable inputs including, but not limited to, most recent capital raisings, revenue multiples of comparable transactions if available and other internal valuation approaches.

# Notes to the consolidated financial statements continued

## (b) Fair value of other financial instruments

The Group has a number of financial instruments which are not measured at fair value on the balance sheet. The carrying amounts of current trade and other receivables, cash, financial assets at amortised cost, current trade and other payables and current amounts owing to participants are assumed to approximate their fair value.

## (c) Level 3 fair value instruments

The following table presents the changes in Level 3 fair value instruments during the half-year:

	31 Dec 2022 \$m	30 Jun 2022 \$m
<b>Investment in unlisted entities<sup>1</sup></b>		
<b>Opening balance at beginning of period</b>	<b>47.1</b>	<b>41.8</b>
Additions	—	2.5
Price revaluation:		
– Change in fair value <sup>2</sup>	(8.8)	—
FX revaluation gain:		
– Recognised in equity	0.5	2.0
– Tax impact	—	0.8
<b>Closing balance</b>	<b>38.8</b>	<b>47.1</b>

<sup>1</sup> The revaluation (loss), net of tax, has been recognised within the asset revaluation reserve.

<sup>2</sup> Change in fair value relates to the fair value decrease of the investment in Digital Asset Holdings LLC

## 9. BORROWINGS

The Group has the following borrowing arrangements:

- a bilateral corporate debt facility under ASX Limited to assist with short-term working capital requirements. The facility limit is \$300.0 million with no outstanding balances owed as at 31 December 2022.
- an unsecured facility under ASX Clear Pty Limited to assist with liquidity requirements with respect to its clearing operations. The facility limit is \$230.0 million with an outstanding balance of \$50.0 million owed as at 31 December 2022.

## 10. CONTINGENT LIABILITIES

As part of the operations of the business, the Group is subject to various legal actions, regulatory actions and reviews by RBA, ASIC and the Australian Competition and Consumer Commission (ACCC), and claims by third parties. The financial impact that might arise from any potential actions or regulatory changes, costs arising from potential regulatory investigations or requirements, or claims by third parties is uncertain and cannot reliably be estimated at balance sheet date.

ASX announced in November 2022 that it would pause the CHES replacement project and return to solution design. As a result of this decision it is possible that ASX may be subject to legal action by various parties who have participated in the CHES replacement project to date. No such legal action has commenced or has been notified to ASX at this time.

ASX has separately announced a CHES Replacement Partnership Program to support the future implementation of the CHES replacement project. Refer to Note 12 for further details.

## 11. NEW AND AMENDED STANDARDS AND INTERPRETATIONS

### (a) New and amended standards and interpretations adopted by the Group

The AASB has issued a number of standards and amendments to standards that are mandatory for the first time in the reporting period commenced 1 July 2022. The Group has assessed and determined that there are no new or amended standards applicable for the first time for the 31 December 2022 half-year report that materially affect the Group's accounting policies or any of the amounts recognised in the financial statements.

### (b) New and amended standards and interpretations not yet adopted by the Group

The AASB has issued a number of new or amended accounting standards and interpretations that are not mandatory for the first time in the reporting period commenced 1 July 2022. The Group has assessed and determined that there are no standards or amendments to standards that are not yet effective that are expected to have a material impact on the Group in the current or future reporting period.

## 12. SUBSEQUENT EVENTS

ASX has announced a CHES Replacement Partnership Program (CRPP) which includes rebates to clearing and settlement (CS) participants as well as access to a development incentive pool for eligible stakeholders that will be involved in the next phase of the CHES replacement project. The rebate component of the CRPP will cost \$15 million and the development incentive pool is estimated to cost up to \$55 million.

Rebates will be paid to CS participants in August 2023 as a revenue rebate, and access to the development incentive pool will be based on eligibility criteria and dependent on the achievement of future project milestones. The total estimated cost of the CRPP is up to \$70 million, with approximately \$25 million to be incurred in 2H23 and the balance incurred over subsequent periods and will be determined by the CHES project solution design and future delivery timeline.

Given the size, infrequent and unusual nature of the CRPP, the costs of the program will be classified as a significant item within ASX's segment reporting framework. This is consistent with the CHES de-recognition charge that has been included in the 1H23 financial statements.

Other than the announcement of the CRPP and the interim dividend determined as disclosed in Note 5, there has been no matter or circumstance that has arisen which has significantly affected, or may significantly affect, the operations, the results of those operations or the state of affairs of the Group, from the end of the reporting period to the date of this report.

# Directors' declaration

In the opinion of the directors of ASX Limited (the Company):

- a) the financial statements and notes that are contained in pages 9 to 20 in the half-year report, are in accordance with the *Corporations Act 2001*, including:
- i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
  - ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



**DAMIAN ROCHE**  
*Chair*

Sydney, 16 February 2023



**HELEN LOFTHOUSE**  
*Managing Director and Chief Executive Officer*

# Independent auditor's report to the members of ASX Limited



## ***Independent auditor's review report to the members of ASX Limited***

### **Report on the half-year financial report**

#### ***Conclusion***

We have reviewed the half-year financial report of ASX Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of ASX Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### ***Basis for conclusion***

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### ***Responsibilities of the directors for the half-year financial report***

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

#### ***Auditor's responsibilities for the review of the half-year financial report***

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the

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# Independent auditor's report to the members of ASX Limited



half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script that reads 'V. Papageorgiou'.

Voula Papageorgiou  
Partner

Sydney  
16 February 2023



ASX