

ASX Cash Equities Clearing, Settlement and Issuer Services



Management Income Statement

for the year ended 30 June 2026



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Management income statement

For the year ended 30 June	Note	2026 \$m
Revenue		
Cash market clearing		92.1
Cash market settlement		86.7
Issuer services		69.2
Technical services		1.4
Total revenue	2	249.4
Rebates	3	(13.2)
Operating revenue		236.2
Expenses		
Employee		(66.9)
Technology		(28.0)
Occupancy		(2.4)
Administration		(21.7)
Variable		(17.3)
ASIC industry funding levy		(4.5)
Operating expenses		(140.8)
Depreciation and amortisation		(36.6)
Total expenses		(177.4)
Efficiency dividend		0.8
Net interest income		5.0
Profit before tax		64.6
Tax allowance		(8.4)
Profit after tax		56.2

The above Management income statement should be read in conjunction with the accompanying notes.

Overview

1 Summary of material accounting policies

ASX Clear Pty Limited (ASX Clear) is a Central Counterparty (CCP) that provides clearing services for Australia's cash equity markets. ASX Clear also is a CCP for equity derivatives listed on the ASX and the markets of other Approved Market Operators, and for Over the Counter (OTC) equity derivative transactions reported to ASX Clear.

ASX Settlement Pty Limited (ASX Settlement) is a Securities Settlement Facility (SSF) that provides settlement facility services for participants to settle cash equity market securities transactions through the Clearing House Electronic Subregister System (CHES) and provides services for effecting and registering transfers of equity instruments. ASX Settlement also provides issuer services to issuers of approved financial products. These services include registry set up, issuer announcements and administration, holding adjustments made as a result of corporate actions, and the provision of CHES holding statements and holder identification numbers (HINs).

Both ASX Clear and ASX Settlement have been granted an Australian Clearing and Settlement (CS) facility licence under the *Corporations Act 2001* (Cth) and are subject to regulatory oversight by the Australian Securities and Investments Commission (ASIC) and the Reserve Bank of Australia (RBA). ASX Clear and ASX Settlement are required to comply with the *ASIC CS Services Rules 2025* (CS Services Rules) and are each a Covered Licensee, as defined by those rules. The CS Services Rules cover the cash equity market clearing services provided by ASX Clear, and the cash equity market settlement and issuer services provided by ASX Settlement (collectively the CS Services). The ultimate parent entity of both ASX Clear and ASX Settlement is ASX Limited (ASX).

The Management income statement, which consists of the CS Services provided by ASX Clear and ASX Settlement, was authorised by the Board of Directors of ASX Clear and ASX Settlement on 14 September 2026. The material accounting policies adopted in the preparation of the Management income statement are set out below.

(a) Basis of preparation

The Management income statement is a special purpose financial statement that:

- ▶ has been prepared in accordance with the CS Services Rules and covers the revenue generated and expenses incurred by ASX Clear and ASX Settlement in providing the CS Services;
- ▶ has been prepared based on ASX's management accounting information and may not comply with Australian Accounting Standards;
- ▶ has been prepared on a historical cost basis; and
- ▶ is measured and presented in Australian dollars with all values rounded to the nearest hundred thousand dollars, unless otherwise stated.

(b) Prior period comparatives

In FY26, ASX Clear and ASX Settlement introduced a new Cash Equities Clearing, Settlement and Issuer Services Pricing Policy to improve customer transparency and support compliance with regulatory obligations, including the ASIC CS Services Rules 2025 (Cth). The policy applies a Building Block Method (BBM), which determines a revenue target for cash equities clearing, settlement and issuer services at the efficient cost of delivery plus a reasonable return, with annual revenue reviews and an efficiency scheme to help optimise operating costs. This methodology differs to the approach applied in FY25 and therefore, there are no comparatives available to the Management income statement for the year ended 30 June 2026 and, accordingly, no prior period comparatives are presented.

(c) Revenue recognition and allocation

Revenue presented in the Management income statement is an allocation of the revenue recognised in ASX Limited's consolidated financial statements for the year ended 30 June 2026 (ASX Annual Report). A summary of the revenue recognition policies applied in the ASX Annual Report and the allocation of those revenues to the CS Services in the Management income statement are described below.

Cash market clearing

Cash market clearing revenue includes fees earned from clearing services provided by ASX Clear of quoted securities including equities, warrants and exchange traded funds (ETFs) and is recognised at novation. Revenue is recognised net of rebates expected to be paid in relation to Building Block Method (BBM), which determines a revenue target at the efficient cost of delivery plus a reasonable return. Cash market clearing also includes membership fees for cash market clearing participants and are recognised evenly over the membership period. All cash market clearing revenue recognised in the ASX Annual Report on a segment basis has been fully allocated to the cash market clearing activities and recorded in the Management income statement.

Cash market settlement

Cash market settlement revenue is earned from the settlement of quoted cash market equity securities and is recognised at settlement date. Membership fees for cash market settlement participants are recognised evenly over the membership period. All cash market settlement revenue recognised in the ASX Annual Report on a segment basis has been fully allocated to cash market settlement activities and recorded in the Management income statement.

Issuer Services

Issuer services revenue includes revenue for the provision of CHES holding statements and HINs. Revenue is recognised monthly based on the number of CHES statements issued and the number of HINs held. All issuer services revenue recognised in the ASX Annual Report on a segment basis has been fully allocated to the issuer services activities and recorded in the Management income statement.

Technical Services

Technical services represents fees paid for dedicated connectivity and application access to the ASX clearing and settlement platform. Only Technical service fees paid to access the CHES platform have been allocated to the technical services activities and recorded in the Management income statement.

1 Summary of material accounting policies continued

(d) Expense allocation

Operating expenses have been attributed to the CS Services based on the "ASX Cost and Revenue Allocation Policy", which is available on ASX's website. Costs have been attributed as either:

- (1) direct costs, being those that can be directly attributable to the activities specifically undertaken within each of the CS Services, or
- (2) indirect costs, being those costs that are not directly attributable to activities within CS Services but are undertaken to indirectly support those activities and are allocated based on the percentage of full-time equivalent staff effort to directly support the CS Services,
- (3) centrally held costs are those costs which are not incurred as part of ordinary course of the business and are not attributable to a section of the business. These costs will not be allocated out and will be held centrally in a head office unit.

Costs that can be directly attributed to the operations of each of the CS Services are allocated directly to each CS Service. If the cost is directly related to the operations of multiple businesses including CS Services, then allocation is to be driven by the proportionate utilisation of the item between the businesses. Indirect costs are those ASX-wide in nature and can be attributable to the operations of each CS Service and are allocated based on the indirect allocation method outlined above. The attribution process has been consistently applied in the Management income statement for the year ended 30 June 2026.

Employee

Direct employee costs have been attributed based on the full-time equivalent (FTE) staff effort required to directly support each of the CS Services based on the nature and relationship of those activities. Indirect employee costs have been attributed in such a way that for indirect employee costs incurred for roles supporting enterprise-wide functions and not specifically servicing the CS Services activities, once the direct employee costs have been allocated, the remaining balance is the indirect employee costs which will then be allocated to CS Services outlined above.

Technology

Direct technology costs have been allocated on the basis of specific expenditure incurred on technology platforms supporting each CS Services activities. Where technology is shared between CS Services and other activities, the allocation is based on the proportionate utilisation of the technology item such as software licenses, usage statistics or other appropriate driver aligned to the nature of each of the CS Services activities. Indirect equipment costs, being those costs that support technology platforms that provide common services to many business activities have been allocated on the same indirect allocation method outlined in the expense allocation section 1)d).

Occupancy

Direct occupancy costs have been allocated on the basis of CS Services directly utilises the site in their operations. If the site is shared for other activities performed within the ASX Group, then allocation is driven by the proportionate utilisation of the site by the relevant sections of each ASX business, by occupied floor space, proportionate FTE or other appropriate driver. Occupancy costs incurred for a site utilised for ASX-wide purposes is allocated on the indirect basis outlined in the expense allocation section 1)d).

Administration

Administration costs include legal and professional fees, audit fees, insurance, marketing, travel and other costs. Administration costs that can be directly attributed to the operations of a CS Service are allocated directly to that CS Service. If the cost is directly related to the operations of multiple businesses including CS Services, then allocation is driven by the proportionate utilisation of the item between the businesses. Indirect costs are those ASX-wide in nature and can be attributable to the operations of each CS Service and are allocated based on the indirect allocation method outlined in the expense allocation section 1)d).

Variable costs

Variable costs include postage and electronic statement costs connected with statements that can be directly attributed to the operations of the CS Services and are allocated directly to that CS Service. Where variable costs relate to the operations of multiple businesses including CS Services, then allocation is driven by the proportionate utilisation of the item between the businesses.

ASIC industry funding levy costs

ASIC industry funding levy costs that can be directly attributed to the licenses held by ASX Clear and ASX Settlement that are relevant to a CS Services are allocated directly to that CS Service. If these costs are directly related to the operations of multiple businesses including CS Services, then allocations are driven by the proportionate utilisation of the item between the businesses. Indirect ASIC industry funding levy costs that are ASX-wide in nature and can be attributable to the operations of the CS Services are allocated based on the indirect allocation method outlined in the expense allocation section.

Depreciation and amortisation

Depreciation and amortisation has been allocated based on the allocation methodology outlined in the expense allocation section. An additional amount of depreciation and amortisation has been allocated to the CS Services for the depreciation of the replacement cost of the existing CHES system, using the depreciated optimised replacement cost (DORC) method. Refer to Note 1 (h) for further discussion.

(e) Net interest income

Net interest income represents interest income net of interest expense for the period.

Interest income for CS Services reflects the investment earnings on the regulatory capital attributed to CS Services and the investment earnings from participant collateral lodged under cash market margining.

Interest expense includes the interest paid to clearing participants on collateral lodged that is directly attributable to CS Services, as well as an allocation of the costs of ASX Clear's liquidity facilities. ASX Clear has four unsecured bilateral committed liquidity facilities to support the operation of its clearing services.

1 Summary of material accounting policies continued

The total size of the facilities at 30 June 2026 was \$1,000.0 million. These facilities support both ASX Clear's cash equity market clearing services as well as its equity options clearing activities (non-CS Service), which is not included within the Management income statement. The cost of ASX Clear's liquidity facilities as it pertains to the CS Services has been estimated based on the CS Services and the non-CS Services relative contribution to ASX Clear's regulatory default capital requirements (see Note 1 (g) below) taking into account the liquidity limit on non-CS Services.

Interest expense also includes the interest related to building lease liabilities which are measured at amortised cost using the effective interest rate method. Expenses attributable to CS Services are allocated based on Occupancy drivers as outlined in occupancy section above.

(f) Efficiency dividend

In applying the Building Block Method (BBM), the operating cost building block assesses the efficient costs incurred in providing Clearing and Settlement services, including the attribution of indirect ASX Ltd costs in accordance with the Cost and Revenue Allocation Policy.

For FY26, gross operating expenses were \$140.8m which exceeded the target operating costs. The BBM includes an efficiency dividend whereby 50% of costs incurred above or below the budgeted amount are included in the recovery. This resulted in an efficiency dividend of \$0.8m being included in the BBM calculation.

(g) Tax allowance

Tax allowance represents a charge based on the applicable income tax rate of 30% being ASX Group's prima facie income tax rate and is partially offset by the value shareholders place on tax imputation credits.

(h) Regulatory asset base

In applying the Building Block Method (BBM), the return on assets building block provides for the recovery of an appropriate return on the regulatory asset base supporting the Clearing and Settlement services, including regulatory capital and invested capital. The appropriate return is determined by applying the weighted average cost of capital (WACC) to the regulatory asset base.

Regulatory capital is the allocation of ASX Clear's default capital and ASX Clear and ASX Settlements non-default capital relevant to CS Services and the invested capital which has been limited to the depreciated replacement cost value capital assets of the existing CHES platform (DORC) and the depreciated capitalised cost value of the new CHES platform.

ASX Clear and ASX Settlement are each required to hold sufficient regulatory capital to meet the capital requirements from the RBA's Financial Stability Standards (FSS) and the Principles for Financial Market Infrastructure (PFMI) issued by the Committee on Payment and Settlement Systems – Technical committee of the International Organisation of Securities Commissions. The regulatory capital held either directly by ASX Clear and ASX Settlement or made available by ASX, that relates to the CS Services has been allocated to the ASX CS Group and included within average capital.

Regulatory capital for ASX Clear includes default risk capital and non-default risk capital, that supports both its cash equity market clearing activities (a CS Service), as well as its equity options clearing activities (a non-CS Service). The regulatory capital of ASX Clear as it pertains to the CS Services has been estimated based on the CS Services and the non-CS Services relative contribution to ASX Clear's regulatory capital requirement.

Invested capital includes the depreciated book value of capital expenditure undertaken by ASX in relation to the infrastructure required to provide the CS Services, including that from capitalised software development. For the current period, invested capital includes an estimate of the replacement cost of the existing CHES system, using the depreciated optimised replacement cost (DORC) method. The inclusion of the depreciated cost of the infrastructure required to support the CS Services, including the use of the DORC method, is a generally accepted methodology applied to regulated assets and is consistent with the determination of average capital included within the Management income statements produced by ASX Clear and ASX Settlement in prior periods.

The regulatory asset base is then multiplied by the Weighted Average Cost of Capital (WACC) for the CS services to determine the allowable return on assets which has been determined to be 12.07%, noting this does not factor in the \$0.8m for the time value of money, see note 3 for further information.

For FY26, the regulatory asset base of CS Services was \$506.7m, which reflected the opening Regulatory asset base of \$423.1m, additions of \$101.9m, offset by depreciation of \$18.3m on the existing CHES replacement value and of the CHES R1 project which went live in FY26.

2 Covered licensee financial information

The Management income statement covers the CS Services provided by both ASX Clear and ASX Settlement, each a Covered Licensee. The Management income statements for the CS Services provided by each Covered Licensee are presented as follows:

Notes to the Management income statement continued

For the year ended 30 June 2026	ASX Clear \$m	ASX Settlement \$m	Total \$m
Revenue			
Cash market clearing	92.1	—	92.1
Cash market settlement	—	86.7	86.7
Issuer services	—	69.2	69.2
Technical services	0.4	1.0	1.4
Total revenue	92.5	156.9	249.4
Rebates	(5.1)	(8.1)	(13.2)
Operating revenue	87.4	148.8	236.2
Expenses			
Employee	(25.3)	(41.6)	(66.9)
Technology	(13.4)	(14.6)	(28.0)
Occupancy	(1.0)	(1.4)	(2.4)
Administration	(7.6)	(14.1)	(21.7)
Variable	—	(17.3)	(17.3)
ASIC industry funding levy	(1.7)	(2.8)	(4.5)
Operating expenses	(49.0)	(91.8)	(140.8)
Depreciation and amortisation	(15.3)	(21.3)	(36.6)
Total expenses	(64.3)	(113.1)	(177.4)
Efficiency dividend	0.3	0.5	0.8
Net interest income	3.5	1.5	5.0
Profit before tax	26.9	37.7	64.6
Tax expense	(3.5)	(4.9)	(8.4)
Profit after tax	23.4	32.8	56.2

3 Rebates

In FY26, ASX Clear and ASX Settlement introduced a new Cash Equities Clearing, Settlement and Issuer Services Pricing Policy to improve customer transparency and support compliance with regulatory obligations, including the *ASIC CS Services Rules 2025*. The policy applies a Building Block Method (BBM), which determines a revenue target for cash equities clearing, settlement and issuer services at the efficient cost of delivery plus a reasonable return, with annual revenue reviews and an efficiency scheme to help optimise operating costs. During the period, BBM rebates of \$13.8 million were recognised in relation to CS Services, which have been included within operating revenue presented in the Management income statement. Included in the rebate of \$13.8 million is \$0.8m to account for the time value of money of the rebate being paid annually in arrears.

This rebate of \$13.8m was partially offset by the reversal of an over-accrual of \$0.6m relating to an Issuer Services rebate accrual from FY25.

4 Regulatory asset base

As at 30 June	2026 \$m
Default capital	120.0
Non-default capital	147.2
Regulatory capital	267.2
Invested capital	239.5
Regulatory asset base	506.7

Directors' declaration

In the opinion of the directors of ASX Clear Pty Limited and ASX Settlement Pty Limited:

The Management income statement and notes that are contained in pages 3 to 7 are in accordance with s.2.4.3 of the *ASIC CS Services Rules 2025* (the CS Services Rules), including

- (1) Presenting fairly the management information for the Covered Services comprising cash market clearing, cash market settlement, issuer services and technical services activities (together the CS Services), and
- (2) The internal cost allocation and transfer pricing from ASX group entities to the CS Services for the financial year is consistent with the model as outlined in s.2.2.1(2)(e) in the CS Services Rules.

Signed in accordance with a resolution of directors.



Stephen Knight
Chairman



Carolyn Colley
Director

Sydney, 14 September 2026



Independent auditor's report

To the directors of ASX Clear Pty Limited and ASX Settlement Pty Limited

Our opinion

We have audited the management income statement (statement) of ASX Clear Pty Limited and ASX Settlement Pty Limited (collectively, the Company) for the year ended 30 June 2026. In our opinion the accompanying statement is prepared, in all material respects, in accordance with the basis of preparation included in the Notes to the management income statement.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the statement* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with 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 our audit of the statement in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Emphasis of matter - basis of accounting and restriction on distribution and use

We draw attention to the basis of preparation included in the Notes to the management income statement, which describes the basis of accounting. The statement has been prepared to assist the Company to comply with the *ASIC CS Service Rules 2025* (CS Service Rules). As a result, the statement may not be suitable for another purpose. Our report is intended solely for ASX Clear Pty Limited and ASX Settlement Pty Limited and its directors and should not be distributed to or used by parties other

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than ASX Clear Pty Limited and ASX Settlement Pty Limited, its directors and ASIC. Our opinion is not modified in respect of this matter.

Responsibilities of management and directors for the statement

Management is responsible for the preparation and presentation of the statement in accordance with the basis of preparation included in the Notes to the management income statement; this includes determining that the basis of preparation included in the Notes to the management income statement is an acceptable basis for the preparation of the statement in the circumstances, and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

The directors are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the statement

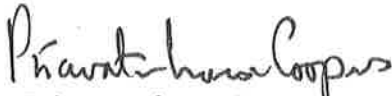
Our objectives are to obtain reasonable assurance about whether the statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.



We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


PricewaterhouseCoopers


Sam Hinchliffe
Partner

Sydney
14 September 2026

